DRAFT RED HERRING PROSPECTUS
Dated September 30, 2008
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon RoC filing)
100% Book Building Issue

GUJARAT PIPAVAV PORT LIMITED

(Our Company was incorporated as Gujarat Pipavav Port Limited on August 5, 1992, a public limited company under the Companies Act, 1956. For details of changes in the Registered Office of the Company, see "History and Certain Corporate Matters" on page 86 of this Draft Red Herring Prospectus)

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

PUBLIC ISSUE OF [●] EQUITY SHARES OF Rs. 10 EACH OF GUJARAT PIPAVAV PORT LIMITED ("GPPL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE) AGGREGATING TO Rs. 5,000 MILLION (THE "ISSUE"). THE ISSUE INCLUDES A PREFERENTIAL ALLOTMENT TO APM TERMINALS MAURITIUS LIMITED OF UPTO [●] EQUITY SHARES OF Rs. 10 EACH AND A RESERVATION OF UPTO [●] EQUITY SHARES OF Rs. 10 EACH AGGREGATING TO Rs. 50 MILLION FOR THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE PREFERENTIAL ALLOTMENT AND THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE WILL CONSTITUTE [●]% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY. THE NET ISSUE WILL CONSTITUTE [●]% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY.*

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

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10 EACH
THE FACE VALUE OF EQUITY SHARES IS RS. 10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended from time to time ("SCRR"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money shall be refunded forthwith. The Company may make a Preferential Allotment to APM Terminals Mauritius Limited of upto [●] Equity Shares of Rs. 10 each and upto [●] Equity Shares, aggregating to Rs. 50 million, shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Additionally, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities shall be offered to the public and the size of the Issue shall aggregate at least Rs. 1,000 million.

Resident Retail Individual Investors may participate in this Issue through an Application Supported by Blocked Amount providing details of the bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Bank. For details see 'Issue Procedure' on page 271 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

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

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of 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 this Draft Red Herring Prospectus. Specific attention of the investors is drawn to the "Risk Factors" on page xiii of this Draft Red Herring Prospectus.

IPO GRADING

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]", indicating [●], through its letter dated [●]. The IPO Grading is assigned on a five-point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details see "General Information" beginning on page 9 and "Material Contracts and Documents for Inspection" on page 331, of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

BOOK RUNNING LEAD MANAGERS		**REGISTRAR TO THE ISSUE**
IDFC SSKI	kotak Investment Banking	KARVY Karvy Computershare Private Limited
IDFC-SSKI LIMITED 803-4 Tulsiani Chambers, 8th Floor, Nariman Point Mumbai 400 021 Tel: (91 22) 6638 3333 Fax: (91 22) 2282 6615 E-mail: gppl.ipo@idfcsski.com Investor Grievance Email: complaints@idfcsski.com Website: www.sski.co.in Contact Person: Ms. Anjali Peri SEBI Reg. No. INM000011336	KOTAK MAHINDRA CAPITAL COMPANY LIMITED 3rd Floor, Bakhtawar, 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: gppl.ipo@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www.kotak.com Contact Person: Mr. Chandrakant Bhole SEBI Reg. No. INM000008704	**KARVY COMPUTERSHARE PRIVATE LIMITED** "Karvy House", No. 46 Avenue 4, Street No. 1, Banjara Hills Hyderabad 500 034 Tel: (91 40) 2342 0815-24 Fax: (91 40) 2342 0814 Email: gppl_ipo@karvy.com Website: www.karvy.com Investor Grievance ID: gppl_ipo@karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration No.: INR000000221

BID/ISSUE PROGRAMME

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

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Company Related Terms

Term	Description
APMM Group or A.P. Møller Mærsk Group	Includes A.P. Møller Mærsk A/S together with such entities in which A.P. Møller Mærsk A/S has business and financial interest
APM Terminals	Unless the context otherwise requires refers to APM Terminals B.V., a company incorporated in the Netherlands together with two of its subsidiaries, namely APM Terminals Mauritius Holding Limited and APM Terminals Mauritius Limited
Articles or Articles of Association	The articles of association of the Company, as amended
Auditors	The statutory auditors of the Company, namely, B S R & Associates, Chartered Accountants
Board/ Board of Directors	The board of directors of the Company or committees constituted thereof
Concession Agreement	The concession agreement dated September 30, 1998 with GMB and the GoG (acting as a confirming party) together with the supplementary agreement to the concession agreement dated June 2, 2006
Corporate Office	The corporate office of the Company, located at Empire Industries Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400 013
CDR Scheme/ Approved CDR Scheme	The restructuring package for restructuring the debt of Rs. 2,985.30 million of the Company as at October 1, 2003, as approved by the CDR Empowered Group at its meeting held on October 30, 2003 and communicated to the Company by its letter dated November 29, 2003 and as amended from time to time
Director(s)	Director(s) of the Company unless otherwise specified
Memorandum / Memorandum of Association	The memorandum of association of the Company
Promoters	The promoters of the Company, namely, APM Terminals B.V., APM Terminals Mauritius Holding Limited and APM Terminals Mauritius Limited
Promoter Group	The companies enumerated in "Our Promoter Group" on page 114 of this Draft Red Herring Prospectus
The Port, Our Port, Pipavav Port	The Pipavav Port located at Post Ucchaiya Via Rajula, District Amreli, Gujarat 365 560
Registered Office	The registered office of the Company, located at Pipavav Port, Post

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

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by a Resident Retail Individual Bidder to make a Bid authorizing the SCSB to block the Bid Amount in their specified bank account
ASBA Bidders	Any Resident Retail Individual Bidder who intends to apply through ASBA and (i) is bidding at Cut-off Price, with single option as to the number of shares; (ii) is applying through blocking of funds in a bank account with the SCSB; (iii) has agreed not to revise his/her bid; and (iv) is not bidding under the Employee Reservation Portion
ASBA Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies transferred by the SCSBs from the bank accounts of the ASBA Bidders
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 288 of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, Bid means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder to subscribe to the Equity Shares of our Company at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid/Issue Closing Date	The date after which the members of the Syndicate and SCSBs will not accept any Bids for the Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Gujarati newspaper with wide circulation
Bid/Issue Opening Date	The date on which the members of the Syndicate and SCSBs shall start accepting Bids for the Issue, which shall be the date notified in a English national newspaper, a Hindi national newspaper and a Gujarati newspaper with wide circulation
Bid cum Application Form	The form used by a Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and includes

Term	Description
	an ASBA Bidder
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, inclusive of any revisions thereof
Book Building Process/ Method	The book building route as provided in Chapter XI of the SEBI Guidelines, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being IDFC-SSKI Limited and KMCC
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSBs which coordinates Bids under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	Any price within the Price Band finalised by the Company in consultation with the BRLMs. A Bid submitted at Cut-Off price is a valid Bid at all price levels within the Price Band. Only Retail Individual Bidders and Eligible Employees whose Bid Amount does not exceed Rs. 100,000, are entitled to Bid at Cut-Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price. It is mandatory for ASBA Bidders to Bid at the Cut-Off Price
Designated Branches	Such branches of the SCSBs which shall collect Bid cum Application Form from the ASBA Bidders and a list of which is available on [●]
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Public Issue Account and the SCSBs transfer amount blocked in the bank accounts of the ASBA Bidders to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 30, 2008 issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the number of Equity Shares being offered in the Issue
Eligible Employees	Permanent employees and Directors of the Company who are Resident Indians and are present in India on the date of submission of the Bid cum Application Form
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase Equity Shares offered thereby

Term	Description
Equity Shares	Equity shares of our Company of Rs. 10 each unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds (excluding ASBA Bidders) on the terms and conditions thereof
Financial Year/ Fiscal/ FY	Period of twelve months ended December 31 of that particular year, unless otherwise specified
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
GIR Number	General Index Registry Number
IDFC-SSKI	IDFC-SSKI Limited, a company incorporated under the Companies Act, having its registered office at 803-4 Tulsiani Chambers, 8th Floor, Nariman Point, Mumbai 400 021
India Development Fund I	India Development Fund, a unit scheme of the IDFC Infrastructure Fund represented by its trustee IDBI Trusteeship Services Limited
India Development Fund II	India Development Fund, a unit scheme of the IDFC Infrastructure Fund represented by its trustee IDBI Trustee Company Limited
Issue	Public Issue of [•] Equity Shares of Rs. 10 each of the Company for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating to Rs. 5,000 million. The Issue comprises a Net Issue to the public aggregating to Rs. [●] million, the Preferential Allotment and a reservation for Eligible Employees aggregating Rs. 50 million. The Company is considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public
Issue Price	The final price at which Equity Shares will be Allotted in the Issue in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
KMCC	Kotak Mahindra Capital Company Limited, a company incorporated under the Companies Act, having its office at 3rd floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021
Leverage India Fund	Leverage India Fund of the IL&FS Private Equity Trust represented by its trustee IL&FS Trust Company Limited
Margin Amount	The amount paid by the Bidder, or blocked in the bank account of the ASBA Bidders, at the time of submission of the Bid, being 10% to 100%

Term	Description
	of the Bid Amount, as applicable
Monitoring Agency	[●]
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares aggregating to Rs. [●] available for allocation to mutual funds only, out of the QIB Portion.
Net Issue	The Issue less the Preferential Allotment and the Employee Reservation Portion
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 32 of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs, Retail Individual Bidders or Eligible Employees and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 10% of Net Issue consisting of [●] Equity Shares aggregating to Rs. [●] available for allocation to Non Institutional Bidders subject to valid Bids being received at or above the Issue Price
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of atleast 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not permitted to subscribe in this Issue.
Pay-in Date	Bid/Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN
Pre-IPO Placement	The private placement of upto [●] Equity Shares for cash consideration to selected investors to be completed prior to the filing of the Red Herring Prospectus with the RoC. The details of such Pre-IPO Placement, if any, will be included in the Red Herring Prospectus
Preference Shares	1% Optionally Convertible Non-Cumulative Redeemable Preference Shares of the Company of Rs. 10 each
Preferential Allotment	Issue of such number of Equity Shares to APM Terminals Mauritius Limited at the Issue Price as are required to maintain the Equity Shareholding of APM Terminals Mauritius Limited at a minimum of 46.0% of the post Issue paid up Equity Share capital of the Company. For further details, see "Capital Structure" on page 19 of this Draft Red Herring Prospectus

Term	Description
Price Band	Price band of a minimum price (Floor Price) of Rs. [●] per Equity Share and the maximum price (Cap Price) of Rs. [●] per Equity Share and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs will finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC after finalization of the Issue Price in accordance with Section 60 of the Companies Act and the SEBI Guidelines, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the number of Equity Shares offered in the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid
QIB Portion	The portion of the Net Issue being at least 60% of the Net Issue or [●] Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	A public financial institution as defined in section 4A of the Companies Act, 1956, a scheduled commercial bank, a mutual fund registered with SEBI, a foreign institutional investor and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, a multilateral and bilateral development financial institution, a venture capital fund registered with SEBI, a foreign venture capital investor registered with SEBI, a state industrial development corporation, an insurance company registered with the Insurance Regulatory and Development Authority, a provident fund with minimum corpus of Rs. 250 million, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India and a pension fund with minimum corpus of Rs. 250 million eligible for bidding in the Issue
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 60B of the Companies Act and the SEBI Guidelines, which will not have complete particulars of the price at which the Equity Shares are offered and the number of Equity Shares offered in the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS, as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Resident Retail Individual Bidder	Retail Individual Bidder who is a person resident in India as defined under FEMA and who is eligible to apply in this Issue through the ASBA process
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their karta and Eligible NRIs) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue

Term	Description
Retail Portion	The portion of the Net Issue to the public being not less than 30% of the Issue or [●] Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous revision forms
RoC	The Registrar of Companies, Gujarat, Dadra and Nagar Haveli located at ROC Bhavan, CGO Complex, Opposite Rupal Park Society, Near Ankur Bus Stand, Naranpura, Ahmedabad 380 013
Self Certified Syndicate Bank/ SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on [●]
SCSB Agreement	[The agreement to be entered into between the SCSBs, the BRLMs, the Registrar to the Issue and our Company only in relation to the collection of Bids from the ASBA Bidders]
Stock Exchanges	BSE and NSE
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	[●]
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date
UTI Unit Scheme 64	Unit Scheme 64 of the Unit Trust of India represented by the Administrator of the specified undertaking of The Unit Trust of India

Technical and Industry Terms

Term	Description
AIS	Automatic Identification System
BP	Bollard Pull
CFS	Container Freight Station
CWC	Central Warehousing Corporation
Chart Datum	The level of water that charted depths displayed on nautical charts are measured from
EDI	Electronic Data Interchange
ELL	Electric Level Luffing
ERP	Enterprise Resource Planning

Term	Description
ISPS	International Code for the Security of Ships and Port Facilities
KV	Kilovolt
LPG	Liquefied Petroleum Gas
MT	Metric Tonne
RTG	Rubber Tired Gantry Crane
Shell Gas	Shell Gas (LPG) India Private Limited
SWL	Safe Working Load
TAMP	Tariff Authority for Major Ports
TEUs	Twenty-foot Equivalent Units
TOS	Terminal Operating System

Conventional and General Terms/ Abbreviations

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

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

Term	Description
	FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PIO	Persons of Indian Origin
PRCL	Pipavav Railways Corporation Limited
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
Rs.	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The government of a state of India
UIN	Unique Identification Number
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US$	United States Dollars

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our audited financial statements, prepared in accordance with Indian GAAP and which are included in this Draft Red Herring Prospectus. In accordance with SEBI requirements, we have also presented in this Draft Red Herring Prospectus, the financal statements of the Company restated in accordance with applicable SEBI Guidelines and the Companies Act.

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

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

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

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

Currency and Units of Presentation

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

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

Exchange Rates

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Industry and Market Data

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

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

FORWARD-LOOKING STATEMENTS

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

All forward-looking statements are subject to risks, uncertainties, and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining 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 risk, 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 and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our failure to meet our traffic volume obligations under the Traffic Guarantee Agreement;
- Our inability to effectively manage our growth or successfully implement our business plan and growth strategy;
- Our ability to comply with the terms under our financing arrangements;
- Economic conditions in India;
- Our ability to raise foreign capital;
- Any change in the vessel calling patterns of container shipping lines;
- Our ability to obtain the approval of GMB ad necessary funding for expansion plans;
- Our ability to enter into definitive agreements with our customers for using our facilities;
- Receipt of dividend payments from PRCL in the amounts that we expect and our ability to recover our investment in PRCL; and
- Increases and changes in royalties and fees payable by us.

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

Neither we, our Directors, Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, we and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

The risks and uncertainties described below, together with the other information contained in this Draft Red Herring Prospectus, should be carefully considered before making an investment decision in our Equity Shares. These risks are not the only ones relevant to our Company and our business, the industry and geographic regions in which we operate, or the Equity Shares. Additional risks, not presently known to us or that we currently deem immaterial may also impair our business and operations. To obtain a complete understanding of our Company and prior to making an investment decision, prospective investors should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 63 and 208, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. If any of the risks described below actually occur, our business, prospects, financial condition and results of operations could be seriously harmed, the trading price of our Equity Shares could decline, and investors could lose all or part of their investment.

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

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

Risks Related To Our Business

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

   We have entered into a Traffic Guarantee Agreement dated January 10, 2003 with the Ministry of Railways/Western Railways and PRCL. Pursuant to the terms of the Traffic Guarantee Agreement, we have guaranteed to provide rail freight traffic of one million tonnes in the first year of operations, two million tonnes in the second year of operations and three million tonnes from the third year of operations onwards ("Minimum Guaranteed Quantity") to PRCL until June 2034. As of March 31, 2008, we were unable to meet the Minimum Guaranteed Quantity and as per the terms of the Traffic Guarantee Agreement a compensation of Rs. 1,192.95 million was payable to PRCL. We have provided for liability of Rs. 209.12 million, Rs. 275.65 million, Rs. 277.07 million, and Rs. 266.15 million for the period ended March 31, 2005, and fiscal 2005, 2006 and 2007, respectively, in our books of accounts in relation to compensation payable to PRCL. Further to our negotiations with PRCL, we made a payment of Rs. 400.00 million to PRCL in March 2008. There can be no assurance that we will achieve the Minimum Guaranteed Quantity freight arrangements with PRCL in the future. Failure to meet these standards could have an adverse effect on our cash flows, business, financial condition and results of operations.

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

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

   Our Promoter, APM Terminals, currently owns a 54.8% equity interest in us. APM Terminals is one of the largest container terminal operator in the world, and is part of the APMM Group, which is ranked 138th among the top 500 corporations in the world by revenue in 2008, according to the Fortune Global 500. APM Terminals operates 50 terminals across 31 countries, employs 19,000 people and handled 31.4 million TEUs in calendar year 2007. APMM Group is one of the largest container ship operators in the world. APMM Group also has significant experience in development of ports and terminals, container and related activities, oil and gas activities, tankers, offshore and other shipping activities, and logistics activities. For the years ended December 31, 2006, December 31, 2007 and the three month period ended March 31, 2008, APMM Group accounted for approximately 36.8%, 34.2% and 31.3% of our operating revenue, respectively. In addition, we receive benefits such as access to modern technology, operational know-how, best industry practices, increased bargaining power and competitive rates for purchase of port equipment, and access to experienced personnel resources from APM Terminals and benefits such as developing business with shipping lines and assistance in developing relationships with third parties in the shipping industry from APMM Group.

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

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

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

Cancellation, early termination or non-renewal of the Concession Agreement or any such concessions, sub-concessions or land lease agreements or licences or imposition of any restrictive regulatory controls could have an adverse effect on our ability to operate and manage our business at Port Pipavav and may have an adverse effect on our business, financial condition and results of operations. There can be no assurance that if the concessions, leases or licences are renewed, the terms of such concessions, leases or licences would be on similar terms or on terms favourable to us. For further details, see "History and Certain Corporate Matters – Concession Agreement with GMB and GoG" on page 89 of this Draft Red Herring Prospectus.

Further, we require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. We may not receive such approvals or renewals in the time frame anticipated by us or at all, which could adversely affect our business. Our failure to obtain any of these or any other applicable approvals or licenses, or renewals thereof, required to operate our business in a timely manner, or at all, may have an adverse effect on the continuity of our business and may hinder our operations in the future. For more information, see "Government and Other Approvals" on page 245 of this Draft Red Herring Prospectus.

The Concession Agreement requires us to pay GMB a royalty calculated based on the tonnage of cargo handled at the leased land and waterfront. The royalty fees will increase by 20.0% every three years. For fiscal 2006, 2007 and the three months ended March 31, 2008, we paid royalties of Rs. 22.40 million, or 4.6% of our total operational expenses, Rs. 23.24 million, or 3.9% of our total operational expenses and Rs. 6.54 million, or 4.2% of our total operational expenses, respectively. Pursuant to the terms of the Concession Agreement, we are required to obtain GMB's prior approval for any expansion at our Port which is outside the scope of the approved layout plan or the approved detailed project report, and any disallowance in the capital cost already incurred will not be available for set-off from our royalty payments. For further details, see "History and Certain Corporate Matters – Concession Agreement with GMB and GoG" on page 89 of this Draft Red Herring Prospectus. Our proposed expansion plan, which involves significant capital expenditure, is currently pending GMB's approval. In the event we do not obtain such approval from GMB, we will not be able to undertake our proposed expansion as planned, which would have an adverse effect on our cash flows and financial condition. In addition, we are required under the Concession Agreement to make an aggregate investment of Rs. 10,000 million for the development of the Port by December 31, 2009. Our ongoing expansion plan has been under implementation since 2003 and since April 1, 2003, we have invested approximately Rs. 7,904.73 million upto August 31,

2008. If we are unable to, or otherwise fail to, invest the remainder on or before December 31, 2009, and we fail to obtain a waiver or postponement of the obligation from GMB, we may suffer adverse consequences for breach of the terms of the Concession Agreement. Such consequences could include liability for monetary damages, termination of the Concession Agreement or other remedies, any of which could have an adverse effect on our business, financial condition and results of operations.

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

We incurred net losses for the fiscal year ended March 31, 2005, fiscal 2005, 2006 and 2007 and the three month period ended March 31, 2008 of Rs. 514.22 million, Rs. 278.42 million, Rs. 643.74 million, Rs. 799.36 million and Rs. 203.96 million, respectively. We anticipate that we may not yet operate to full capacity in the immediate future, and as a result, our operating losses may continue in the short term. In addition, our future ability to pay dividends will depend upon a number of factors, including our results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board.

5. ***We underwent a corporate debt restructuring in fiscal 2004 and have recently completed the refinancing of debt.***

We restructured our debt under the CDR mechanism, with effect from October 1, 2003. For details, see "History and Certain Corporate Matters" beginning on page 86 of this Draft Red Herring Prospectus. In the CDR Empowered Group's meeting held on August 22, 2008, the lenders recommended our exit from the CDR Package by way of refinancing of debt. We have received a letter of intent from Infrastructure Development Finance Company Limited for an aggregate of Rs. 12,000 million for completing the refinancing. The loan carries an interest rate equivalent to 2.5% per annum above the benchmark rate prevailing on the date of each disbursement. The loan is repayable in 48 equal quarterly instalments commencing from the expiry of three years after the date of first disbursement. For details, see "Indebtedness" beginning on page 125 of this Draft Red Herring Prospectus.

Changes in interest rates could affect our results of operations as a significant part of our borrowings are at floating rates of interest or subject to reset of interest rate at periodic intervals. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. Although we may in the future enter into hedging arrangements against interest rate risks, there can be no assurance that these arrangements will successfully protect us from losses due to fluctuations in interest rates.

There can be no assurance that we will be in compliance with the terms and conditions of our loan agreements in future. Any non-compliance with the terms and conditions under our loan agreements could adversely affect our business and financial condition. For details on the restrictive covenants under our financing arrangements, see "- Any breach of the terms under our financing arrangements could trigger cross-defaults under our other financing arrangements, lead to termination of one or more of our financing arrangements and/or force us to sell assets" beginning on page xxiii of this Draft Red Herring Prospectus.

Additionally, our substantial indebtedness could also lead to other risks such as increasing our vulnerability to general adverse economic, competitive and industry conditions, placing us at a competitive disadvantage to our competitors that have less debt, limiting our flexibility in planning for, or reacting to, changes in our business and the industry and could limit our ability to borrow more money for future expansion, our operations or capital expenditures in the future, and implement our business strategies.

6. ***We may be required to contribute additional capital for maintaining our equity interest in PRCL and our financial results will increasingly depend on the performance of PRCL.***

We own a 38.8% equity interest in PRCL and may be required to contribute additional capital for maintaining our equity interest in PRCL. We do not have a controlling interest in PRCL. For example, rail haulage and freight rates payable for using the PRCL network are determined by the Ministry of Railways. If these rates are increased, our customers may not use the PRCL network for evacuation of cargo from Port Pipavav, which may adversely affect our results of operations.

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

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

   We have entered into transactions with entities forming part of the APMM Group for container cargo and related marine services. We also derived 36.8%, 34.2% and 31.3% of our operating revenue for fiscal 2006, 2007 and the three month period ended March 31, 2008, respectively, from Maersk Line and Safmarine Container Lines. While we believe that all such transactions have been conducted on, and have commercial terms consistent with, an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For more information regarding our related party transactions, see “Related Party Transactions” on page 118 of this Draft Red Herring Prospectus.

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

   Our Promoter, APM Terminals, also operates Gateway Terminals India Private Limited, a container terminal at Mumbai engaged in a similar line of business as us. In addition, APM Terminals has made a bid for the development of a container terminal at Ennore port, in the state of Tamil Nadu. We cannot assure you that our Promoter will not favour the interests of Gateway Terminals India Private Limited over our interests or that APM Terminals may not in the future invest in other ports in India, which may increase our competition. Further, commercial transactions in the future between us and related parties could result in conflicting interests.

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

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

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

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

10. ***The provisions of the contracts entered into with our customers contain inherent risks and certain provisions which, if exercised, could adversely affect our operations and financial condition.***

We have entered into long-term contractual arrangements with certain customers and port users for their operations at Port Pipavav. Although, these long-term agreements include escalation pricing clauses, we still bear the risk that our actual expenses with respect to the performance of services could be higher than our estimates at the time of entering into the contract. Our failure to accurately estimate the resources and time required for a contract, future wage inflation rates, currency exchange rates or failure to complete our contractual obligations may have an adverse effect on our income and profitability.

In addition, there are a number of factors that are outside our control, which might result in the termination of a contract or the loss of a customer, including financial difficulties, bankruptcies, mergers and acquisitions and changes of management. For example, one of our warehouse lessees has filed for bankruptcy and we have not received any rent from it since February 2004.

In addition, we may incur penalties if we are unable to perform certain obligations under our agreements. For example, our LPG cargo berth is currently being remodelled and relocated to allow access to off-shore supply vessels and ensure better berth availability and improved berth utilization and therefore we have not received monthly user rent from Shell Gas since July 2007. In addition, pursuant to the terms of the agreement dated July 2, 2007 with Shell Gas for such relocation, we reimburse Shell Gas a monthly sum of approximately Rs. 2.76 million due to additional expenses incurred by Shell Gas on account of alternative arrangements made for import, storage and distribution of LPG cargo. We expect the LPG cargo jetty to be re-operational by November 30, 2008 and failure to complete the project in the expected time-frame will lead to loss of user rent and make us incur additional expenses as stated above, which will have an adverse effect on our business and results of operations.

We are unable to predict what types of contractual arrangements we will enter into in the future, and certain arrangements may contain additional terms that are unfavourable to us or pose risks to our business. Any unfavourable contractual provisions could result in reduction of our income, hinder our ability to compete or reduce our profitability, and could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

We have experienced considerable growth in operating revenue over the past five years. Our operating revenue for the years ended December 31, 2006 and December 31, 2007 was Rs. 1,349.63 million and Rs. 1,516.04 million, respectively. Our operating revenue for the three month period ended March 31, 2008 was Rs. 391.82 million. We intend to pursue a growth strategy to explore existing and potential market opportunities. See, "Our Business – Our Expansion Plans" on page 74 of this Draft Red Herring Prospectus. Our future prospects will depend upon our ability to grow our business and operations further.

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

12. ***We are in the initial stages of our growth plans and the implementation of the same requires prior approval of GMB.***

We believe that continued expansion is essential for us to remain competitive and to capitalise on the growth potential of our business. Pursuant to the terms of the Concession Agreement, we are required to obtain GMB's prior approval for any expansion at our Port which is outside the scope of the approved layout plan or the approved detailed project report. In the event we do not obtain such approval from GMB, we will not be able to undertake our proposed expansion plans or any part of them that fail to receive GMB approval. The failure to obtain such approval may also cause us to modify, delay or abandon our expansion plans, which in turn could cause our business to be adversely affected. After the receipt of GMB approval, the execution of our expansion plans will be subject to our ability to obtain the necessary funding. There is no assurance that we will be able to obtain such funding on terms anticipated by us or at all.

We have also not entered into definitive agreements with customers for using our facilities. There can be no assurance that we will be able to conclude definitive agreements for usage of such facilities on terms anticipated by us or at all.

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

The customs and excise authorities in India have commenced implementation of EDI facilities at Indian ports to facilitate electronic filing of bills of entry (import goods declarations), shipping bills (export goods declarations) and communications with cargo carriers such as shipping lines. Such facilities have not yet been implemented at Port Pipavav, which has adversely affected our handling of certain categories of cargoes that require rapid documentation processing. This has also resulted in certain shipping lines not calling at Port Pipavav.

We will be required to pay for installation of EDI at Port Pipavav and may otherwise be required to incur capital expenditure for bringing our infrastructure in line with EDI. Further, there can be no assurance that the Government will continue to place emphasis on EDI implementation. If there is any change in the Government or budgetary allocations by Government for EDI implementation, as a result of shifts in Government policies or priorities, and as a result EDI facilities are not installed at our Port, our financial results and business prospects may be adversely affected. In addition, once implemented, EDI may not work smoothly and if we face major technical problems, our results of operations could be adversely affected.

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

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

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

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

The island of Shial Bet, which is located near our Port, has a population of approximately 4,000. The Port premises are not fenced, which exposes us to additional security and safety risks as we cannot restrict thoroughfare of the residents of Shial Bet or use of public transport on the roads within our leased property. In addition, we are required to comply with the International Code for Security of Ships and Port Facilities requirements which place additional security, safety and other such obligations on us.

Further, our operations at Pipavav Port expose the inhabitants of Shial Bet to risks such as personal injury and loss of life and damage to or destruction of property. Although we believe we maintain insurance coverage in such amounts and against such risks, which we believe are in accordance with industry practice in India, our insurance may not be adequate to cover all losses or liabilities that may arise from our operations, such as when the loss suffered is to a Shial Bet resident and not to our employee or contract labourer or to an employee of our sub-contractors.

16. ***We will be restricted in our ability to raise additional equity which may adversely affect our business and financial condition.***

APM Terminals currently owns 54.8% equity interests in us. Pursuant to the terms of the Concession Agreement, APM Terminals is required to hold a minimum 46.0% of our shareholding until December 31, 2009. In addition, acquisition of a 10.0% or greater equity interest in us by a shareholder requires the prior approval of GMB. The net proceeds of the Issue will not be sufficient for our proposed capital expenditure plans. Hence, we will be restricted in our ability to raise additional equity financing, which could adversely affect our business and financial condition.

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

We have derived and believe that we will continue to derive in the near term a significant portion of our revenue from a few major carrier customers. For the period ended March 31, 2005, fiscal 2005, 2006 and 2007 and the three months ended March 31, 2008, our five largest customers accounted for approximately 61.2%, 63.9%, 68.1%, 57.5% and 52.5% of our operating revenue, respectively. The revenue from these customers may vary from year to year. Any loss of our major customers or any significant decreases in spending by some or all of our top five customers on our services may reduce the demand for our Port and the services we offer and may adversely affect our revenue, profitability and results of operations. We expect that a significant portion of our income will continue to be attributable to a limited number of customers in the foreseeable future and if any of these customers reduce their business with us, it may result in low capacity utilization of our resources, which would adversely affect our profitability and results of operations.

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

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

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

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

Our funding requirements and the deployment of the net proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. The deployment of funds as stated in the section titled "Objects of the Issue" on page 32 of this Draft Red Herring Prospectus is entirely at the discretion of our Board. All the figures included under the section titled "Objects of the Issue" are based on our own estimates. The Issue proceeds will account for approximately 25% of our proposed needs for our expansion plans. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our expenditure programmes and an increase or decrease in our proposed expenditure for a particular matter.

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

The port industry is capital intensive. However, it is dependant on skilled personnel to carry out port operations. Continuous access to skilled personnel is critical to our business. However, due to the location of our Port we find it difficult to attract such skilled personnel. As of June 30, 2008, we had 483 full-time employees. In addition to our full-time employees, we utilise temporary contract workers provided to us by sub-contractors. Although we maintain satisfactory relations with the sub-contractors and the contract workers and continue to engage them at rates which are acceptable to us, there can be no assurance that we will be able to continue to engage them on reasonable terms in the future. Any disruption in the steady and regular supply of workers may adversely affect our business and operations. In addition, our business relies on a number of third-party companies involved in activities such as stevedoring, power supply, hiring of equipment and vehicles, survey of cargo, provision of information technology systems, equipment maintenance and repair services and transportation services. The failure or inability of certain of these companies to provide the required services efficiently could disrupt our operations. Additionally, our operations may also be affected by circumstances beyond our control including work stoppages, labour disputes, shortage of qualified skilled labour and lack of adequate infrastructure services.

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

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

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

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

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

23. ***Our net income would decrease if the tax benefits and other incentives we currently take advantage of are withdrawn or our effective tax rate is increased.***

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

The EPCG scheme in India facilitates import of capital goods at a 5.0% concessional rate of duty with an obligation to export an amount equal to eight times the duty saved and maintain export obligations based on the average turnover of the last three years. Importing second hand capital goods without any restriction on age is also allowed under the Foreign Trade Policy announced on August 31, 2004. We have imported certain of our equipment under license pursuant to the EPCG scheme. Under this scheme we are required to refund an amount to the Government of India equivalent to the duty benefit enjoyed by us under the said scheme, plus interest, if we fail to make the required exports within the required time period. As of March 31, 2008, under the EPCG Scheme we had an outstanding export obligation of Rs. 1,335.21 million and Rs. 2,647.37 million by December 31, 2014 and 2015, respectively. The consequences for non-fulfillment of the export obligations or other conditions include a retroactive levy of import duty on items previously imported duty-free for these facilities. Additionally, the respective authorities have rights to levy penalties for any defaults on a case-by-case basis. Any such levy or penalty imposed could adversely affect our financial condition and results of operations.

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

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

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

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

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

In our port business, we compete with both domestic and international companies, including ports located on the northwest coastline of India, non-major ports located in Gujarat including ports managed by GMB, global port operators with a presence in India and port service providers and intermediaries that operate at existing ports such as handling, stevedoring, clearing and forwarding agents. For more details, see "Our Business – Competition" on page 76 of this Draft Red Herring Prospectus. Some of these companies have significant financial resources, marketing and other capabilities. In India, some domestic competitors may have extensive local knowledge and business relationships and a longer operational track record in selected areas of the domestic market than us. Some of our international competitors are able to capitalise on their overseas experience to compete in the Indian market. As a result, there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that our business, financial condition and results of operations will not be adversely affected by increased competition.

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

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

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

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

Our operational facilities may be damaged in natural disasters such as earthquakes, tsunamis, tornados, hurricanes and cyclones. Such natural disasters in India, or in Southeast Asia, such as the tsunami that affected the region, including India, on December 26, 2004, may lead to a disruption of transportation networks, information systems and telephone service for sustained periods of time. Further prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business. Damage or destruction that interrupts our operations may cause us to incur substantial additional expenses to repair or replace damaged facilities or equipment. We may also be liable to our customers for disruption in our operations resulting from such damage or destruction. While we are currently covered under a comprehensive port package insurance policy for losses on account of property damage, business interruptions and liabilities to third parties, our insurance coverage may not be sufficient. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future or secure such insurance coverage at all. Prolonged disruption of our operations as a result of natural disasters would also entitle our customers to terminate their contracts with us.

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

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

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

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

Our financing arrangements contain restrictive covenants, whereby we are required to obtain approval from our lenders, regarding, among other things, our reorganisation, amalgamation or merger, our incurrence of additional indebtedness, declaring or making any restricted payments, making any investments by way of deposits, loans and share capital, revaluing our assets, the disposition of assets beyond permissible limits and the expansion of or change in our business plans. Although we have generally not encountered difficulties in obtaining consents from our lenders in the past, there can be no assurance that such consents will be granted in the future. Further, our lenders have certain rights to appoint nominee directors on the Board, to convert at their option the whole or part of the defaulted amount into fully paid up equity shares of our Company and to seek early repayments of our loans. Any failure to service our indebtedness, maintain the required security interests, comply with requirements to obtain consents or otherwise perform our obligations under our financing agreements could lead to the termination of one or more of our credit facilities, terminate our right to make drawdowns, trigger cross default provisions, or result in penalties of amounts due under such facilities, which may adversely affect our business, financial condition and results of operations. For details see "Indebtedness" on page 125 of this Draft Red Herring Prospectus.

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

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

Our contingent liabilities, as disclosed in our audited financial statements as per Indian GAAP as of March 31, 2008 were as follows:

(Rs. In millions)

Bank guarantees outstanding	255.35
Claims against our Company not acknowledged as debt, including claims from project contractors	489.74
Total	**745.09**

In the event that any of our contingent liabilities crystallize, our financial condition and results of operations may be adversely affected. Our capital commitments not provided for could adversely affect our financial condition if such commitments are not executed according to the terms and conditions of the respective contracts. For further details on the nature of our contingent liabilities, see "Financial Statements" on page 130 of this Draft Red Herring Prospectus.

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

The majority of the issued and outstanding Equity Shares are currently owned by one of our Promoters, APM Terminals Mauritius Limited. Upon completion of the Issue, APM Terminals Mauritius Limited will own at least 46.0% of our post-Issue Equity Share capital. Accordingly, APM Terminals Mauritius Limited will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of APM Terminals Mauritius Limited as our substantial shareholder could also conflict with our interest or the interests of our other shareholders. We cannot assure prospective investors that APM Terminals Mauritius Limited will act to resolve any conflicts of interest in our favour.

32. ***Our Promoter APM Terminals Mauritius Limited and certain of our other shareholders special rights under a shareholders agreement with the Company.***

We have entered into a shareholders agreement dated September 26, 2008 (the "**Shareholders Agreement**") with our Promoter APM Terminals Mauritius Limited and certain of our other shareholders, pursuant to which APM Terminals Mauritius Limited and these shareholders have agreed that the day-to-day management of the Pipavav Port shall be undertaken by APMT Mauritius or such other entities that are a part of the A.P. Moller-Maersk Group pursuant to the terms of the Concession Agreement. Further, in terms of the Shareholders Agreement, APM Terminals Mauritius Limited has a right to appoint upto four nominee Directors on the board of directors of the Company. IDFC Private Equity Group shall have the right, so long as it holds at least 22,399,419 Equity Shares, to appoint one nominee Director on the board if directors of the Company. If IDFC Private Equity Group's shareholding falls below 22,399,419 Equity Shares, such right to appoint a nominee Director shall be exercisable by the shareholder who who holds the maximum number of Equity Shares (subject to a minimum shareholding of 4% of the equity share capital of the Company) out of the following: (i) Administrator of the Specified Undertakings of the Unit Trust of India and UTI Trust Company Private Limited; (ii) IIF and TIFOI (being funds advised and managed by AMP Capital); (iii) NYLIIF Group; and (iv) IL&FS Trust Company Limited. The nominee Director appointed by IDFC Private Equity Group or one of the other shareholders as specified above, shall not be liable to retire by rotation. In addition, certain resolutions of the Board of Directors shall be effective only with the consent of three fourths of the Board of Directors. These include resolutions approving amendments to the Concession Agreement, changing the terms of the Conflict Committee or alteration of the share capital. For further details, see "History and Certain Corporate Matters" on page 86 of this Draft

Red Herring Prospectus.

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

There are certain ongoing legal proceedings against us pending at different levels of adjudication before various courts and tribunals. Such litigation diverts management time and attention and consumes financial resources in their defence or prosecution. No assurance can be given as to whether these matters will be settled in our favour or against us. If we are held liable under any of these matters it may have an adverse effect on our business, financial condition and results of operations. For further details of outstanding litigation against us, see "Outstanding Litigation and Material Developments" on page 231 of this Draft Red Herring Prospectus.

34. ***We do not own our corporate office and other offices from which we operate.***

We do not own the premises on which our corporate office and other offices are located. Our corporate office is located on premises rented by one of the APMM group companies and if that lease is terminated, we may suffer a disruption in our operations and incur costs related to moving offices. For more information, see "Our Business – Properties" on page 78 of this Draft Red Herring Prospectus.

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

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

36. ***Some of our Promoters/Promoter Group companies have incurred losses in the last three fiscals.***

Some of our Promoters/Promoter Group companies have incurred losses in the last three fiscals as set forth in the tables below:

APM Terminals Mauritius Limited

(In USD)

	Fiscal 2007	Fiscal 2006	Fiscal 2005
Profit/ (Loss) after tax	(8,007,179)	(6,807,279)	(2,806,745)

Maersk Holding B.V.

EUR ('000)

	Fiscal 2008	Fiscal 2007	Fiscal 2006
Profit / (Loss) After Tax	(17,017)	1,388.00	(28,535)

Gateway Terminals India Private Limited

(Rs. in million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Profit/ (Loss) after tax	(21.60)	(491.89)	(373.80)

For further details see "Our Promoters" and "Our Promoter Group" on pages 109 and 114, respectively, of this Draft Red Herring Prospectus.

Risks Related to India and the Nature of our Business

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

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

The level of economic activity is influenced by a number of factors, including national and international economic activity, political and regulatory policy, and climate conditions such as monsoons and drought. The economies of most Asian countries, including India, were negatively affected by the economic slowdown during the Asian financial crisis in late 1990s, leading to reduced government and corporate spending and a decrease in domestic and international trade. An economic downturn in India or the State of Gujarat, where our operations are based, may have an adverse effect on the volume of containers moved, the volume of cargo throughput handled at our ports and goods transported within India.

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

38. ***Our assets and operations are located in India and we are subject to regulatory, economic and political uncertainties in India.***

We are incorporated in India, and our operations, assets and personnel are located in India. We intend to continue to develop and expand our facilities in India. In the early 1990s, India experienced significant inflation, low growth in gross domestic product and shortages of foreign currency reserves. The Government of India and the government of each state of India (each a "State Government"), including the GoG, have broad powers to affect the Indian economy and our business. In the past, the Government of India and State Governments have used these powers to influence, directly and indirectly, Indian import/export trade. Examples of such measures include: (i) imposing import restrictions and customs duties on imported commodities, in particular on coal, (ii) granting concessions for operation of new ports and (iii) allocating Government of India and State Government funding for infrastructure programmes. The Government of India also provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified industries of the economy. Certain of those programs, which have benefited us, include tax holidays, liberalised import and export duties and preferential rules on foreign investment and repatriation. There can be no assurance that liberalisation policies will continue or that we would be able to adapt our port handling business effectively or pass on any increase in costs to our customers through an increase in our prices.

The rate of economic liberalisation could change, and specific laws and policies affecting port companies, foreign investment, currency exchange rates and other matters affecting investment in our securities could also change. The current Indian government is a coalition of many parties, some of which may not want to continue India's current economic policies. Various factors, including a collapse of the present coalition government due to the withdrawal of support of coalition members, could trigger significant changes in India's economic liberalisation and deregulation policies, disrupt business and economic conditions in India generally and our business in particular. Our financial performance and the market price of our Equity Shares may be adversely affected by changes in inflation, exchange rates and controls, interest rates, Government of India policies (including taxation policies), social stability or other political, economic or diplomatic developments affecting India in the future.

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

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

40. ***Depreciation of the Rupee against foreign currencies may have an adverse effect on our results of operations.***

While a substantial portion of our revenues will be denominated in Rupees, we may enter into certain engineering, procurement and construction contracts for our project development, the price of which could be denominated in foreign currencies. Accordingly, any depreciation of the Rupee against these currencies will increase the Rupee cost to us of servicing such payments. We enter into foreign currency contracts and cover foreign currency payments for exchange rate variations from time to time. If we are unable to recover the costs of foreign exchange variations, depreciation of the Rupee against foreign currencies may adversely affect our results of operations and financial condition.

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

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

42. ***If inflation worsens, our results of operations and financial condition may be adversely affected.***

In 2008, India's wholesale price inflation index suggested an increasing inflation trend compared to recent years. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other of our expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs along to our customers and our results of operations and financial condition may be adversely affected.

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

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

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

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

- social political or regulatory developments that may result in an economic slowdown in any of these regions;
- legal uncertainty owing to the overlap of different legal regimes, and problems in asserting contractual or other rights across international borders;

- potentially adverse tax consequences;
- potential tariffs and other trade barriers;
- changes in regulatory requirements;
- the burden and expense of complying with the laws and regulations of various jurisdictions; and
- acts of hostility, violence or war.

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

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

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

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

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

Certain events that are beyond our control, including the attacks in Mumbai on July 11, 2006, in London in July 2005, in New Delhi on December 13, 2001 and in New York City and Washington, D.C. on September 11, 2001, and other acts of violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to economic recession or loss of investor confidence, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries, including India, Pakistan and China. Political tensions could create a perception that there is a risk of disruption of operations provided by India-based companies, which could have an adverse effect on the market for our services. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue to operate.

Risks Related to this Issue

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

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

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

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

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

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

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

Purchasers of our Equity Shares will experience an immediate dilution in net tangible book value per share from the initial public offering price per Equity Share. After giving effect to the issuance of [●] Equity Shares in this Issue, and following the deduction of underwriting discounts and commissions and estimated offering expenses payable by us and the application of the net proceeds, our pro forma as adjusted net tangible book value as of March 31, 2008, would have been Rs. [●] million, or Rs. [●] per Equity Share. This represents an immediate dilution in pro forma net tangible book value of Rs. [●] per Equity Share to new investors purchasing Equity Shares in this Issue. Substantial future sales of our Equity Shares in the public market could cause our share price to fall.

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

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

Notes to Risk Factors

- Public Issue of [●] Equity Shares of Rs. 10 each of the Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. 5,000 million. The Issue includes a Preferential Allotment to APM Terminals Mauritius Limited of upto [●] Equity Shares of Rs. 10 each and an Employee Reservation Portion of upto [●] Equity Shares of Rs. 10 each aggregating to Rs. 50 million. The Issue less the Preferential Allotment and the Employee Reservation Portion is referred to as the Net Issue. The Issue will constitute [●]% of the post Issue paid up capital of the

Company. The Net Issue will constitute [●]% of the post Issue paid up capital of the Company.

The Company is considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.

- In terms of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended from time to time ("SCRR"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money shall be refunded forthwith. The Company may make a Preferential Allotment to APM Terminals Mauritius Limited of upto [●] Equity Shares of Rs. 10 each and upto [●] Equity Shares, aggregating to Rs. 50 million, shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

- The Company's net worth as at March 31, 2008 was Rs. 4,507.82 million as per our audited financial statements under Indian GAAP.

- The net asset value per Equity Share as at March 31, 2008 was Rs. 13.59 as per our audited `financial statements under Indian GAAP.

- The average cost of acquisition per Equity Share by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is Rs. 43.91.

- Refer to the notes to our financial statements relating to related party transactions in the section titled "Related Party Transactions" on page 118 of this Draft Red Herring Prospectus.

- For details of transactions in Equity Shares undertaken by our Promoter and Promoter Group, see the section titled "Capital Structure" on page 19 of this Draft Red Herring Prospectus.

- For details of the interests of our Directors and Key Managerial Personnel, please refer to the section titled "Our Management" on page 94 of this Draft Red Herring Prospectus. For details of the interests of our Promoters and Promoter Group, please refer to the section titled "Our Promoters" and "Our Promoter Group" on pages 109 and 114, respectively, of this Draft Red Herring Prospectus.

- Except as disclosed in the section titled "Capital Structure" on page 19 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.

- Investors may contact the BRLMs and Syndicate Members for any complaints, information or clarifications pertaining to the Issue. The BRLMs and Syndicate Members are obliged to provide the same to investors.

- Investors are advised to refer to the section titled "Basis for Issue Price" on page 41 of this Draft Red Herring Prospectus before making an investment.

- Investors may note that in case of over-subscription in the Issue, Allotment to Bidders in all of the categories shall be on a proportionate basis. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from other categories at our discretion, in consultation with the BRLMs. For more information, please refer to the section titled "Basis of Allotment" on page 288 of this Draft Red Herring Prospectus.

- All information shall be made available by the BRLMs, Syndicate Members and the Company 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.

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

- Our Company was incorporated as Gujarat Pipavav Port Limited on August 5, 1992. The Registered Office of the Company was shifted from B-1, Maharaja Palace, University Road, Navrangpura, Ahmedabad to Pipavav Port At Post Ucchaiya via Rajula District Amreli, Gujarat on January 6, 2004.

SECTION III – INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Overview

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

We are promoted by APM Terminals, which is one of the largest container terminal operator in the world, and are part of the APMM Group, which is ranked 138th among the top 500 corporations in the world by revenue in 2008, according to the Fortune Global 500. APM Terminals operates 50 terminals across 31 countries, employs 19,000 people and handled 31.4 million TEUs in calendar year 2007. APMM Group is one of the largest container ship operators in the world. APMM Group also has significant experience in development of ports and terminals, container and related activities, oil and gas activities, tankers, offshore and other shipping and logistics activities.

We commissioned the first jetty and commenced cargo handling operations at Port Pipavav in November 1996. We commenced container handling activities in April 1998 and obtained the exclusive right to develop and operate Port Pipavav and related facilities under the Concession Agreement on September 30, 1998. We commenced comprehensive commercial port operations in April 2002. APMM Group acquired a 13.5% equity interest in our Company in June 2001. Since acquisition of management control by APMM Group in April 2005, we have been executing an expansion plan to create facilities to handle approximately 1.27 million TEUs of container cargo as well as approximately three million tonnes of bulk cargo per year. The APMM Group currently owns its 54.8% equity interest through APM Terminals. For details, see "History and Certain Corporate Matters" beginning on page 86 of this Draft Red Herring Prospectus.

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

Port Pipavav currently accepts vessels with up to 12.5 metre draught at chart datum and deploys three tugs for providing pilotage and towage services. We have four dry cargo berths with a total length of 1,075 metres and an LPG berth with a service deck of 65 metres and the length between the extreme mooring dolphins is 308 metres.. The 4,550 metre channel length at the Port allows day and night marine operations throughout the year. Between April 1, 2002 and March 31, 2008, Port Pipavav handled 11.49 million tonnes of bulk cargo, 0.10 million tonnes of LPG cargo and 0.56 million TEUs of container cargo.

We have also created extensive support infrastructure to handle container, bulk and LPG cargo, such as container yards, yard handling equipment, a Mannesmann Gottwald harbour crane, BM Titan cranes, quay cranes, rubber tired gantry cranes, paved rail sidings, warehouses, open stackyards and a port users' building to accommodate the offices of custom house agents, stevedores' agents and shipping lines. We entered into a shareholders' agreement with the Ministry of Railways dated March 28, 2001, to set up PRCL for undertaking the construction, operation and maintenance of a dedicated broad gauge railway link between Surendranagar and Port Pipavav. We presently own a 38.8% equity interest in PRCL.

Port Pipavav is strategically located near the entrance of the Gulf of Khambhat (formerly known as the Gulf of Cambay) on the main maritime trade routes, which helps us to serve imports from and exports to the Middle East, Asia, Africa, the United States, Europe and other international destinations. A wide range of customers use our port facilities. Our key customers in container cargo include shipping lines such as Maersk Line, Safmarine Container Lines, United Arab Shipping Company, Hyundai Merchant Marine, Regional Container Lines and Mitsui OSK Line and domestic container cargo customers such as Jindal Waterways. We also handle a variety of bulk and break bulk cargo such as coal, cement, clinker, fertilizers, steel, iron ore, agricultural products, salt and soda ash. Our key customers in bulk and break bulk cargo are Indian Farmers Fertiliser Cooperative Limited, Ultratech Cement Limited, Essar Logistics Limited and GHCL Limited. Shell Gas (LPG) India Private Limited is our sole customer in LPG cargo operations. We also provide marine services to Ultratech Cement Limited's captive jetty.

Our operating revenue for the years ended December 31, 2006 and December 31, 2007 was Rs. 1,349.63 million and Rs. 1,516.04 million, respectively. Our operating revenue for the three month period ended March 31, 2008 was Rs. 391.82 million. The container cargo and bulk cargo services accounted for 62.3% and 32.6%, respectively of our operating income for the three month period ended March 31, 2008.

Our History

We were incorporated on August 5, 1992 to build, construct, operate and maintain the port at Pipavav, District Amreli, in the state of Gujarat, India. We were initially promoted as a joint venture between GMB and Seaking Engineers Limited (now SKIL Infrastructure Limited). In June, 1998, GMB divested its stake in favour of SKIL Infrastructure Limited. Pursuant to the share sale and purchase agreement dated March 30, 2005, SKIL Infrastructure Limited, Nikhil Gandhi, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited divested their shareholding in our Company in favour of APM Terminals, the Industrialization Fund for Developing Countries and India Development Fund I. For further details, see "History and Certain Corporate Matters – Material Agreements" on page 88 of this Draft Red Herring Prospectus. Presently, APM Terminals, part of the APMM Group, owns a 54.8% equity interest in us.

Concession Agreement with GMB and GoG

We entered into a Concession Agreement with GMB and GoG on September 30, 1998, pursuant to which we have been granted the right to develop and operate Port Pipavav for a period of 30 years. After APM Terminals became our largest shareholder, a supplemental concession agreement was signed on June 2, 2006 to reflect the change in ownership of our Company. The Concession Agreement requires us to pay GMB a royalty calculated based on the tonnage of cargo handled at the leased land and waterfront. The royalty fees will increase by 20.0% every three years. For fiscal 2006, 2007 and the three months ended March 31, 2008, we paid royalties of Rs. 22.40 million, Rs. 23.24 million and Rs. 6.54 million, respectively. For further details, see "History and Certain Corporate Matters – Concession Agreement with GMB and the GOG" beginning on page 89 of this Draft Red Herring Prospectus.

Competitive Strengths

Growth of trade from the landlocked north and northwest regions of India

We are in strategic position to serve the landlocked north and northwestern region of India, which has experienced significant manufacturing growth. This region currently generates 30.0% of the container throughput from India. Port Pipavav is located in close proximity to the markets of the landlocked north and northwest regions of India and has good transportation connectivity. We believe that the general economic growth in this region as well as the growth in demand for cargo services (in particular containerized cargo), provide a strong and growing market for our services.

We enjoy natural and location advantages

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

The wave height in the harbour does not generally exceed 0.5 metres at the berth, and the water currents are between two and a half and three knots during peak tidal condition. These favourable oceanographic conditions enable day and night navigation of ships throughout the year. Port Pipavav currently has a vessel acceptance draught of 12.5 metres, with outer channel depth of 12.5 metres and turning basin depth of 11.5 metres at chart datum. Our bulk and container jetties have a depth of 13.5 metres and our LPG jetty has a depth of 15.5 metres at chart datum. Port Pipavav has handled bulk vessels carrying approximately 78,000 MTs of bulk cargo and container vessels of 6,200 TEUs capacity. We have issued a letter of intent to Boskalis International bv, Netherlands, and the contract is planned to be awarded to Zinkcon Marine (Singapore) Pte Ltd, a subsidiary of Royal Boskalis Westminster for undertaking capital dredging to achieve an acceptance draught of 14.5 metres, with outer channel depth of 14.5 metres and turning basin depth of 13.5 metres at chart datum. Upon completion of proposed dredging, all jetty basins at the Port are expected to have a depth of 16.0 metres at chart datum.

Some of the locational advantages available to us are:

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

- Proximity to the major agriculture-based product export markets of the Saurashtra region.

- Due to its proximity to the busy cargo ports in Mumbai, we believe that Port Pipavav often acts as an a favoured, or second, port of call for shipping lines.

- The Port layout allows for expansion by way of deepening of channel and port area by dredging and construction of additional jetties.

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

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

We are also part of the APMM Group, which had revenues of US$ 51.2 billion for the year ended December 31, 2007. We receive benefits such as developing business with shipping lines and assistance in developing relationships with third parties in the shipping industry from APMM Group. For the years ended December 31, 2006 and December 31, 2007 and the three month period ended March 31, 2008, the APMM Group accounted for approximately 36.8%, 34.2% and 31.3% of our revenue, respectively. Maersk Line and Safmarine Container Lines, part of the APMM Group, are also among our largest customers and operate regular cargo shipping service from our Port to international destinations, including the Middle East, Europe and the United States.

We have a well-developed port infrastructure

Port Pipavav has a well-developed port infrastructure. The 4,550 metre channel length at the Port enables day and night marine operations throughout the year due to favourable oceanographic conditions. We have four dry cargo berths with a total length of 1,075 metres. These berths are utilised for handling containers, bulk, break bulk, general and project cargo. The LPG cargo berth is currently being remodelled and relocated to allow access to off-shore supply vessels and ensure better berth availability and improved berth utilization. The LPG berth is expected to be re-operational by November 30, 2008.

We have deployed one mobile-harbour Mannesmann Gottwald harbour crane and two rail mounted ELL cranes for the efficient handling of bulk and break bulk cargo. The ELL cranes are equipped with a built in hopper and a cross conveyor with a rated handling capacity of 1,000 MTs per hour per crane. The ELL cranes are also supported by a 1,200 metre conveyor system, which connects the dry cargo berths to the coal storage areas. The rated handling capacity of this conveyor system is 2,000 metric tonnes per hour. We have also installed weighbridges to support the bulk cargo operations, including an in-motion weighbridge on rails.

Our container yard is equipped with 18 RTGs, including 10 eco-friendly RTGs, which are expected to achieve fuel savings of up to 45.0% as compared to regular RTGs. We have also developed infrastructure for reefer services which include supply of electricity and monitoring of reefer containers. The coal yard at Port Pipavav has a state-of-the-art dust suppression system and it is fed directly from the bulk-handling berths through a conveyor system.

The container berth is equipped with six quay cranes to handle ship-to-shore operations. Three of these quay cranes are post-panamax cranes which have an outreach of 18 containers across on a ship, total lift of 58 metres, which is 40 metre above crane rail, and a capacity of 61 tonnes under the spreader with twin-lift capability of handling two twenty-foot containers simultaneously. The three panamax cranes have a SWL of 40 tonnes and an outreach of 13 containers across on a ship. We have deployed reach stackers for operations to be carried out at the dedicated container rail siding.

We have access to land and extensive support infrastructure

We have the right to develop approximately 1,561 acres of land around Port Pipavav. We have developed approximately 388 acres and plan to utilize the balance undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. The Port has extensive shore-based area to allow development of back-up infrastructure and allied industries. We believe that our available land will help us expand the market for our port services and provide sufficient resources for future expansion. In addition, we earn rental revenue from the user license agreements entered into with various third parties, including those interested in establishing facilities that utilize our Port, its infrastructure and related services. We have also developed extensive support infrastructure to handle container, bulk and LPG cargo in the form of container yards, yard handling equipment, quay cranes, fully paved rail sidings, warehouses, open stackyards and a port users' building to accommodate the offices of custom house agents, stevedores' agents and shipping lines.

We have good rail and road connectivity

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

Port Pipavav is connected to the Indian Railways network through an approximately 269 kilometre-long dedicated broad gauge railway link maintained by PRCL, which is 38.8% owned by us. India's first double stack container rake, with a capacity of 180 TEUs, was operated between Port Pipavav and Inland Conatiner Depot at Kanakpura (Jaipur) in March 2006. The double stack container train lowers rail freight costs for our customers and ensures faster evacuation of containers from the Port. Indian Railways plans to extend the double stake container rake service further up to the North Indian Inland Container Depots, which will further reduce transportation time for cargo coming to or leaving Port Pipavav. Our Port also has a road link to National Highway-8E for transporting cargo to and from the Port.

We have an experienced management team

We are led by experienced and highly qualified professionals and also benefit from access to the APM Terminal's experienced personnel resources. We have also been able to successfully attract and retain senior managerial and technical executives. Our management team has an established track record and knowledge in the port and shipping industry. Since taking over management control in April 2005, our present management has demonstrated the ability to manage significant expansion plans and operations. We believe that our management's expertise in successful implementation of projects provides us with significant competitive advantages. See "Our Management" beginning on page 94 of this Draft Red Herring Prospectus.

Our tariffs are not determined by any regulatory authority and this gives us operational flexibility

We are not covered within the regulatory purview of the Tariff Authority of Major Ports, and are entitled to determine the tariffs at the Port, subject to the provisions of the Indian Ports Act, 1908, as amended. Our ability to determine tariff rates helps us to compete effectively.

Our Strategy

We intend to capitalise on our strategic location and our developed port infrastructure to develop into a world class port operator in India. In order to grow our business volume and to strengthen our market position in India, we have in place the following strategies:

Develop into a leading port in India

We plan to continue to expand our services and to attract investment from other port-based industries in order to further develop Port Pipavav into a total service provider and a leading port in India. We have issued a letter of intent to Boskalis International bv, Netherlands, and the contract is planned to be awarded to Zinkcon Marine (Singapore) Pte Ltd, a subsidiary of Royal Boskalis Westminster for undertaking capital dredging to achieve an acceptance draught of 14.5 metres, which will allow large vessels to call at our Port. The LPG berth is currently being remodelled and relocated to allow access to off-shore supply vessels and ensure better berth availability and improved berth utilization. The LPG berth is expected to be re-operational by November 30, 2008. We have presently undertaken construction of an additional container yard to support a container cargo volume of 600,000 TEUs per year, expected to be completed by December 31, 2008. We intend to construct container yards for supporting container cargo volume of additional 670,000 TEUs by December 31, 2009 and improve road transportation network within our Port premises. We have also placed orders for purchasing two post-panamax quay cranes with twin lift capability and six eco-friendly RTGs and we expect to receive delivery for these by February 2009. For details, see " - Our Expansion Plans". We have also entered into two non-binding memoranda of understanding with Videocon Industries Limited and a major thermal power producing company for providing port services relating to import of coal. For details, see " – Our Expansion Plans".

We will also continue to benefit from the global relationships and marketing strategies of the APM Terminals for developing state-of-the-art marine and civil infrastructure at Port Pipavav for attracting increased container volumes.

Develop land to aid the growth of our Port operations

We intend to develop and sub-lease portions of available land at Port Pipavav, which we believe will be a source of operating revenue and drive future growth at our Port. We have the right to develop approximately 1,561 acres of land around Port Pipavav. We have developed approximately 388 acres and plan to utilize the balance undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. This may involve development of additional bulk cargo berths and container berths.

In order to utilise available waterfront and land area, we also intend to sub-lease land to third parties, including those interested in establishing facilities that utilize our Port, its infrastructure and related services. We are also negotiating a sub-concession agreement with Pipavav Shipyard Limited and continue to evaluate other proposals by third parties for utilising the land reserves available to us.

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

We will continue to strive to improve the operating efficiency and capacity of our existing facilities by continuing to invest in technologically advanced handling equipment and improving the efficiency of our loading, unloading and stacking operations and marine services. We believe that growth in our cargo handling operations will also contribute to an increase in rail traffic handled by PRCL. In order to increase our operating efficiency and competitiveness, we may consider outsourcing certain port handling operations to other port services providers, including affiliates.

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

Increase bulk cargo volumes and enter strategic arrangements for use of port facilities

We intend to set up a dedicated coal terminal and have entered into memoranda of understanding with two companies wherein such companies will use our port facilities for transporting coal for their power plants. We plan to pursue long-term strategic arrangements for the use of Port Pipavav. We believe that strategic relationships through long-term contractual agreements will enhance our business prospects by bringing stable and increased cargo traffic in the future while our continued use of short-term contracts will allow us to capitalise on market spot rates and take advantage of high growth markets.

SUMMARY OF FINANCIAL INFORMATION

The selected historical audited summary financial information presented below as at and for the financial years ended [●] has been prepared in accordance with Indian GAAP and should be read together with the Auditors' Reports and the financial statements and notes thereto contained in this Draft Red Herring Prospectus and the sections entitled "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Our Business" on page 130, 208 and 63 respectively, of this Draft Red Herring Prospectus. The summary financial information presented below does not purport to project our results of operation or financial condition. We changed our financial end from March 31 to December 31 from December 31, 2005 onwards, so all references to a particular financial year from December 31, 2005 onwards are to the twelve months ending December 31 of that year.

Balance Sheet (Rs. in millions)

Particulars	Sch.	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Sources of funds								
Shareholders' funds								
Share Capital	1	3,454.80	3,454.80	2,618.76	2,481.26	2,118.76	1,600.96	1,600.96
Reserves and surplus	2	7,016.29	7,205.09	3,872.49	3,873.04	2,421.94	2,421.94	2,421.94
		10,471.09	**10,659.89**	**6,491.25**	**6,354.30**	**4,540.70**	**4,022.90**	**4,022.90**
Loan Funds								
Secured Loans	3	5,743.49	5,893.39	5,860.51	3,844.39	3,625.64	3,704.21	3,466.69
Unsecured loans	4	283.79	279.81	-	137.50	285.00	52.86	52.86
		6,027.28	**6,173.20**	**5,860.51**	**3,981.89**	**3,910.64**	**3,757.07**	**3,519.55**
Deferred Tax liability (net)	5	-	-	-	-	-	-	24.47
Total		**16,498.37**	**16,833.09**	**12,351.76**	**10,336.19**	**8,451.34**	**7,779.97**	**7,566.92**
Application of funds								
Fixed Assets	6							
Gross Block		10,702.07	9,254.56	9,342.39	7,384.22	7,301.72	6,814.80	6,520.22
Less: Accumulated depreciation		1,377.86	1,298.11	1,096.39	920.54	762.14	570.25	325.92
Less: Asset impairment		1,935.43	1,935.43	2,153.72	2,164.13	2,164.13	2,164.13	-
Net Block		7,388.78	6,021.02	6,092.28	4,299.55	4,375.45	4,080.42	6,194.30
Capital Work in Progress	7	2,236.33	3,092.87	793.98	497.43	101.33	171.31	331.32
		9,625.11	**9,113.89**	**6,886.26**	**4,796.98**	**4,476.78**	**4,251.73**	**6,525.62**
Investments	8	**780.00**	**780.00**	**780.00**	**780.00**	**570.00**	**-**	**501.63**
Current Assets, Loans and Advances	9							
Inventories		46.86	45.47	26.66	14.00	18.21	11.29	9.56
Sundry Debtors		46.08	34.49	97.64	44.90	29.24	7.67	1.88
Cash and bank balances		1,900.29	2,545.21	480.84	820.13	95.22	33.49	32.70
Other Current Assets		41.54	17.00	19.99	-	-	-	-
Loans and Advances		373.00	367.72	318.52	389.26	309.26	473.04	484.44
Total		**2,407.77**	**3,009.89**	**943.65**	**1,268.29**	**451.93**	**525.49**	**528.58**
Less: Current liabilities and provisions	10							
Current liabilities		1,810.56	662.86	549.84	670.52	970.20	448.29	647.76
Provisions		467.22	1,167.14	668.56	155.06	115.25	72.82	51.38
Total		**2,277.78**	**1,830.00**	**1,218.40**	**825.58**	**1,085.45**	**521.11**	**699.14**
Net current assets / (liabilities)		**129.99**	**1,179.89**	**(274.75)**	**442.71**	**(633.52)**	**4.38**	**(170.56)**
Profit and Loss Account		5,963.27	5,759.31	4,960.25	4,316.50	4,038.08	3,523.86	710.23
Total		**16,498.37**	**16,833.09**	**12,351.76**	**10,336.19**	**8,451.34**	**7,779.97**	**7,566.92**

Profit and Loss Account

(Rs. in millions)

Particulars	Sch.	For 3 months ended 31-Mar-08	For 12 months ended 31-Dec-07	For 12 months ended 31-Dec-06	For 9 months ended 31-Dec-05	For 12 months ended 31-Mar-05	For 12 months ended 31-Mar-04	For 12 months ended 31-Mar-03
Income								
Operating Revenue	**11**	391.82	1,516.04	1,349.63	676.23	762.09	492.84	323.40
Other Income	**12**	52.27	141.41	66.63	29.92	21.69	20.21	19.35
Total Income		**444.09**	**1,657.45**	**1,416.26**	**706.15**	**783.78**	**513.05**	**342.75**
Less: Expenditure								
Operation and other expenses	**13**	488.79	1,736.70	1,254.48	511.21	525.50	525.85	338.06
Borrowing cost	**14**	78.75	411.60	473.45	310.03	438.73	410.40	404.83
Depreciation		79.76	267.05	245.97	161.61	193.25	250.47	244.67
Prior period items		-	-	-	-	9.62	-	-
Impairment loss on fixed assets (Refer note no.6 to Schedule 15)		-	-	-	-	-	2,164.13	-
Deferred revenue expenditure written off		-	-	-	-	-	-	53.22
Total expenditure		**647.30**	**2,415.35**	**1,973.90**	**982.85**	**1,167.10**	**3,350.85**	**1,040.78**
Profit / (Loss) before exceptional item and tax		**(203.21)**	**(757.90)**	**(557.64)**	**(276.70)**	**(383.32)**	**(2,837.80)**	**(698.03)**
Exceptional item (Refer note no.5 to Schedule 15)		-	38.55	83.58	-	130.00	-	-
Profit / (Loss) before tax		**(203.21)**	**(796.45)**	**(641.22)**	**(276.70)**	**(513.32)**	**(2,837.80)**	**(698.03)**
Provision for taxation								
Current Tax (including fringe benefit tax)		0.75	2.84	2.44	1.72	0.60	-	1.50
Wealth tax			0.07	0.08		0.30	0.30	0.34
Deferred Tax		-	-	-	-	-	(24.47)	24.47
Net Profit / (Loss) after taxation		(203.96)	(799.36)	(643.74)	(278.42)	(514.22)	(2,813.63)	(724.34)
Profit / (Loss) at the beginning of the period / year		(5,759.31)	(4,960.24)	(4,316.50)	(4,038.08)	(3,523.86)	(710.23)	14.11
Less: Reversal on account of transitional gratuity liability (Refer note no15 to Schedule15)		-	(0.29)	-	-	-	-	-
Balance carried forwards		**(5,963.27)**	**(5,759.31)**	**(4,960.24)**	**(4,316.50)**	**(4,038.08)**	**(3,523.86)**	**(710.23)**
Basic and diluted earnings per share of face value of Rs 10 each (Rs.) (Refer note no.16 to Schedule 15)		(0.69)	(3.63)	(3.41)	(1.65)	(3.45)	(17.57)	(4.52)

THE ISSUE

Issue*	Rs. 5,000 million
Of which	
Preferential Allotment	Rs. [●] million
Employee Reservation Portion*	Upto Rs. 50 million
Net Issue to the Public*	Rs. [●] million
Of which	
A) QIB Portion *Of which*	At least Rs. [●] million
Mutual Funds	Rs. [●] million
Balance for all QIBs (including Mutual Funds)	Rs. [●] million
B) Non-Institutional Portion	Not less than Rs. [●] million**
C) Retail Portion	Not less than Rs. [●] million**
Equity Shares outstanding prior to the Issue	293,699,998
Equity Shares outstanding after the Issue	
- After the Preferential Allotment	[●] Equity Shares#
- After the Preferential Allotment, Allotment under the Employee Reservation Portion and Issue to the Public	[●] Equity Shares
Use of Proceeds by the Company	See the section titled "Objects of the Issue" on page 32 of this Draft Red Herring Prospectus.

* The Company is considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.

** Allocation to all categories, including the Employee Reservation Portion, shall be made on a proportionate basis. Undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange. Undersubscription, if any in the Employee Reservation Portion will be added back to the Net Issue, at the discretion of the BRLMs and the Company. If atleast 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded.

\# The Company shall issue Equity Shares to APM Terminals Mauritius Limited at the Issue Price pursuant to the Preferential Allotment to ensure that post Issue share capital of APM Terminals Mauritius Limited in the Company remains at minimum 46.0% of the post Issue capital of the Company. For further details of the Preferential Allotment see " Capital Structure - Notes to Capital Structure – Note 9" on page 29 of this Draft Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Gujarat Pipavav Port Limited on August 5, 1992, a public limited company under the Companies Act, 1956. For details of the change in our registered office, please refer to the section titled "History and Certain Corporate Matters" on page 86 of this Draft Red Herring Prospectus.

Registered Office of our Company

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

Corporate Office of our Company

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

Address of Registrar of Companies

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

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

Board of Directors

Our Board comprises the following:

Name, Designation, Occupation and Director Identification Number (DIN)	Age (years)	Address
Mr. Per Jorgensen Chairman (Independent Director) *Company Director* DIN: 00050532	73	Vitus Berings Alle 4 2930Klampenborg Denmark

Name, Designation, Occupation and Director Identification Number (DIN)	Age (years)	Address
Mr. Pravin Laheri, IAS (Retd.) Independent Director *Company Director* DIN: 00499080	63	A-404, Bageshwari Flats, Opposite Fun Republic, Ramdevnagar, S. G. Road, Ahmedabad – 380 054 India
Mr. Sethurathnam Ravi Independent Director *Chartered Accountant* DIN: 00009790	49	D-218, Saket, New Delhi- 110017 India
Mr. Atanu Chakraborty, IAS Director (Non-Executive) *Service* DIN: 01469375	**48**	O/5, Old Raj Bhawan Flats, Near Gayatri Temple, Shahibaug, Ahmedabad 380 004 India
Mr. Luis Miranda Director (Non-Executive) *Service* DIN: 01055493	47	801 B, Deepali, St. Cyril Road, Bandra (West) Mumbai- 400 050 India
Mr. Christian Moller Laursen Director (Non-Executive) *Service* DIN: 00431748	42	SBN Doormanln 17 2243 AJ Wassenaar The Netherlands
Mr. Jorgen Madsen Director (Non-Executive) *Service* DIN: 01745152	62	PO Box 161, PC 118, Muscat Sultanate of Oman

Name, Designation, Occupation and Director Identification Number (DIN)	Age (years)	Address
Mr. Dinesh Kumar Lal Director (Non-Executive) *Service* DIN: 00037142	56	34, Lotus Court J. Tata Road Churchgate Mumbai 400 020
Mr. Philip Littlejohn Managing Director *Service* DIN: 01842355	54	C-9, 4th Floor, C Building, Sea Face Park CHS Limited, 50 Bhulabhai Desai Road, Mumbai- 400 026

For further details of our Directors, see the section titled "Our Management" on page 94 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

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

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

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

Book Running Lead Managers

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

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

Certain Information in relation to IDFC-SSKI Limited

Based on the following, IDFC-SSKI Limited, a Book Running Lead Manager ("BRLM") to the Issue is in compliance with clause 5.4.1 of the SEBI (Disclosure and Investor Protection Guidelines), 2000 ("SEBI Guidelines"):

- The India Development Fund ("Fund I"), a unit scheme of the IDFC Infrastructure Fund, holds 10.9% of the pre-issue shareholding of the Company. The India Development Fund has invested Rs. 1,282 Million in the Company during April 2005 - June 2005.

- IDFC Infrastructure Fund ("Trust") is a trust created under the Indian Trust Act, 1882 and a venture capital fund registered under SEBI Regulations of which IDFC Limited is the Settlor. IDBI Trusteeship Services Limited ("Trustee") is the trustee of Fund I.

- IDFC Limited as a Class A investor has contributed towards 11.852% of the capital commitments of Fund I along with other Class A investors aggregating to 100% of the total capital commitments of Fund I. The balance capital commitments aggregating to 88.158% of the total capital commitments have been received from various Indian Institutional Investors.

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

- . IDFC Infrastructure Fund 2 ("Trust 2") is a trust created under the Indian Trust Act, 1882 and a venture capital fund registered under SEBI Regulations of which IDFC Limited is the Settlor. IDFC Trustee Company Limited ("Trustee 2"), a wholly owned (100%) subsidiary of IDFC Limited is the Trustee of Fund II.

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

- IDFC Private Equity Company Limited, a wholly owned (100%) subsidiary of IDFC Limited is the Investment Manager to both Fund I and Fund II ("**Investment Manager**") by virtue of Investment Management Agreements between IDFC Private Equity Limited and the respective Trustees.

- IDFC-SSKI Limited is a wholly owned (100%) subsidiary of IDFC-SSKI Securities Limited. IDFC Limited holds 80% of the paid up capital of IDFC-SSKI Securities Limited.

- IDFC Limited has provided debt financing as part of its ordinary course of business to the Company. IDFC Limited does not exercise control over the Company by the virtue of providing debt finance to the same. For further details in relation to corporate information, shareholding patterns and financial information of the Issuer Company see the section titled "Capital Structure" and "Indebtedness" on page 19 and 125, respectively, of the Draft Red Herring Prospectus.

Syndicate Members

[●] [●]

[●]

Legal Advisors

Domestic Legal Counsel to the Issue

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

International Legal Counsel to the Underwriters

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

Registrar to the Issue

Karvy Computershare Private Limited
"Karvy House", No. 46
Avenue 4, Street No. 1, Banjara Hills
Hyderabad 500 034
Tel: (91 40) 2342 0815-24
Fax: (91 40) 2342 0814
Email: gppl_ipo@karvy.com
Website: www.karvy.com
Investor Grievance ID: gppl_ipo@karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

[●] [●]

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at http://www.sebi.gov.in/pmd/scsb.pdf

Bankers to the Company

State Bank of Saurashtra
Gresham House
Sir P. M. Road, Fort
Mumbai 400 001
Tel: (022) 2261 3967
Fax: (022) 2263 0823
Email: mum.fort@sbs.co.in
Website: www.sbsbank.com

Dena Bank
Dena Bank Building
1st floor
17, Horniman Circle,
Fort, Mumbai 400 023
Tel: (022) 2269 5285
Fax: (022) 2269 2176
Email: 2fbmumbai@denabank.co.in
Website: www.denabank.com

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

Auditors to the Company

B S R & Associates
KPMG House
Kamla Mills Compound
Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 3989 6000
Fax: (91 22) 3983 6000
Email: bdhupelia@kpmg.com
Website: www.in.kpmg.com

Monitoring Agency

The Monitoring Agency will be appointed prior to the filing of the Red Herring Prospectus with the RoC

Inter Se Allocation of Responsibilities between the BRLMs

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

Sr.No.	Activity	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities etc.	IDFC-SSKI, Kotak	IDFC-SSKI
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of the Prospectus and RoC filing.	IDFC-SSKI, Kotak	IDFC-SSKI
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, corporate films, etc.	IDFC-SSKI, Kotak	IDFC-SSKI
4.	Preparing road show presentation and frequently asked	IDFC-SSKI,	IDFC-SSKI

Sr.No.	Activity	Responsibility	Coordinator
	questions;	Kotak	
5.	Appointment of intermediaries viz. Lawyers, Printers, Advertising Agency, IPO Grading Agency and Monitoring Agency	IDFC-SSKI, Kotak	Kotak
6.	Appointment of Registrar and Bankers to the Issue	IDFC-SSKI, Kotak	Kotak
7.	International institutional marketing of the Issue, which will cover, *inter alia:*		
	• Finalising the list and division of investors for one to one meetings; and	IDFC-SSKI, Kotak	IDFC-SSKI
	• Finalising road show schedule and investor meeting schedules;	IDFC-SSKI, Kotak	
8.	Domestic institutional marketing of the Issue, which will cover, *inter alia*:		
	• Finalising the list and division of investors for one to one meetings;	IDFC-SSKI, Kotak	Kotak
9.	Non-Institutional & Retail Marketing of the Issue, which will cover, *inter alia*:		Kotak
	• Formulating marketing strategies, preparation of publicity budget;	IDFC-SSKI, Kotak	
	• Finalising media and PR strategy;	IDFC-SSKI, Kotak	
	• Finalising centres for holding conferences for brokers etc.;	IDFC-SSKI, Kotak	
	• Finalising bidding centres; and	IDFC-SSKI, Kotak	
	• Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material.	IDFC-SSKI, Kotak	
10.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading. Finalisation of pricing in consultation with the Company	IDFC-SSKI, Kotak	Kotak
11.	The Post-Bidding activities including management of escrow accounts, follow-up with bankers to the issue, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Register to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	IDFC-SSKI, Kotak	Kotak

Credit Rating

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

IPO Grading

This Issue has been graded by [●] a SEBI-registered credit rating agency, as [●], indicating [●] fundamentals. Pursuant to Clauses 5.6B.1 and 6.17.3A of the SEBI Guidelines, the rationale/description furnished by the credit rating agency will be updated at the time of filing the Red Herring Prospectus with the RoC.

Experts

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

Trustee

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

Project Appraisal

There is no project being appraised.

Book Building Process

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

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

In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (QIB) Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Additionally, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate at least Rs. 1,000 million. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money shall be refunded forthwith. The Company may make a Preferential Allotment to APM Terminals Mauritius Limited of upto [●] Equity Shares of Rs. 10 each and upto [●] Equity Shares aggregating to Rs. 50 million shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay not less than 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, see “Terms of the Issue” on page 263 of this Draft Red Herring Prospectus.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

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

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

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

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer, in consultation with the BRLMs, will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All Bids at or above this issue price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Preferential Allotment to our Promoters

The Company may make a Preferential Allotment of Equity Shares to APM Terminals Mauritius Limited to ensure that it holds a minimum of 46.0% of the post Issue share capital of the Company, as required under the Concession Agreement and GMB's letter dated July 3, 2008. For further details on the Preferential Allotment see " Capital Structure – Notes to Capital Strucutre – Note 9" on page 29 of this Draft Red Herring Prospectus.

The table below shows the number of Equity Shares that will be allotted to APM Terminals Mauritius Limited at various levels of the Price Band.

Issue Price	Preferential Allotment to APM Terminals Mauritius Limited		Employee Reservation Portion*		Net Issue to the Public		Total (Rs. in million)
	No. of Equity Shares	Percentage	No. of Equity Shares	Percen tage	No. of Equity Shares	Percentage	
[●]	[●]	[●]			[●]	[●]	5,000
[●]	[●]	[●]			[●]	[●]	5,000
[●]	[●]	[●]			[●]	[●]	5,000
[●]	[●]	[●]			[●]	[●]	5,000

* Assuming that the Employee Reservation Portion is fully subscribed by Eligible Employees.

The number of Equity Shares that will be allotted to APM Terminals Mauritius Limited at various levels of the Price Band will change in the event of revision in the Price Band in terms of the SEBI Guidelines.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details see section titled "Issue Procedure - Who Can Bid?" on page 271 of this Draft Red Herring Prospectus);

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

3. Ensure that you have mentioned PAN in you Bid cum Application Form. In accordance with the SEBI Guidelines, the PAN would be the sole identification number for participants transacting in

the securities market, irrespective of the amount of transaction;

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

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

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

Underwriting Agreement

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

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

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

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

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

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

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

CAPITAL STRUCTURE

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

(Rs. in million, except share data)

		Aggregate Nominal Value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL[1]**		
	445,000,000 Equity Shares of Rs. 10 each	4,450.00	
	55,000,000 Preference Shares of Rs. 10 each	550.00	
	Total	5,000.00	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	293,699,998 Equity Shares of Rs. 10 each	2,936.99	[●]
	51,780,000 Preference Shares of Rs. 10 each	517.80	[●]
D)	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS***		
	[●] Equity Shares of Rs. 10 each	[●]	5,000
	Of Which:		
(i)	**PREFERENTIAL ALLOTMENT** [●] Equity Shares of Rs. 10 each#	[●]	[●]
(*ii*)	**EMPLOYEE RESERVATION PORTION**		
	Issue of [●] Equity Shares of Rs. 10 each fully paid up	[●]	50
(*iii*)	**NET ISSUE TO THE PUBLIC**		
	[●] Equity Shares of Rs. 10 each fully paid up	[●]	[●]
E)	**EQUITY CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of Rs. 10 each fully paid up	[●]	[●]
F)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	6,986.09	-
	After the Issue	[●]	[●]

(1) Changes in Authorised Share Capital

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

2) The authorised share capital of the Company of Rs. 450,000,000 divided into 45,000,000 Equity Shares of Rs. 10 each was increased to Rs. 1,100,000,000 divided into 110,000,000 Equity Shares

of Rs. 10 each by the creation of 65,000,000 Equity Shares of Rs. 10 each pursuant to the resolution passed by the shareholders of the Company on January 12, 1996.

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

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

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

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

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

* The Issue in terms of this Draft Red Herring Prospectus has been authorised by our Board of Directors and shareholders of our Company pursuant to their resolution dated May 5, 2008 and August 18, 2008, respectively.

The Company may issue Equity Shares to APM Terminals Mauritius Limited at the Issue Price pursuant to the Preferential Allotment to ensure that post Issue share capital of APM Terminals Mauritius Limited in the Company remains at minimum 46.0% of the post Issue capital of the Company. For details of the number of Equity Shares that will be allotted to APM Terminals Mauritius Limited at various levels of the Price Band see "General Information" on page 9 of the Draft Red Herring Prospectus. The Company is also considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC and the issuance and allotment of Equity Shares pursuant to the Preferential Allotment, if any, prior to the Allotment in the Issue. If the Pre-IPO Placement and/or the Preferential Allotment are completed, the Issue size available for allocation to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.

\# For details of the number of Equity Shares that will be allotted to APM Terminals Mauritius Limited at various levels of the Price Band see "General Information" on page 9 of the Draft Red Herring Prospectus.

Notes to Capital Structure

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

a) Equity Share Capital History

Date of allotment of Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Share capital	Cumulative Share Premium (Rs.)
July 27, 1992	700	10	10	Cash	Subscription to the Memorandum of Association	700	7,000	Nil
March 31, 1994	3,000,000	10	10	Consideration other than cash	Allotment to GMB	3,000,700	30,007,000	Nil
March 31, 1994	6,031,850	10	10	Cash	Allotment to individual investors	9,032550	90,325,500	Nil
July 30, 1994	10,644,450	10	10	Cash	Allotment of 380,000 Equity Shares to Seaking Engineers Limited and remaining to individual investors	19,677,000	196,770,000	Nil
July 30, 1994	4,000,000	10	10	Consideration other than cash	Allotment to GMB and Seaking Engineers Limited	23,677,000	236,770,000	Nil
March 31, 1995	1,503,000	10	10	Cash	Allotment of 50,000 Equity Shares to Montana Valves and Compressors Limited and remaining to individual investors	25,180,000	251,800,000	Nil
March 31, 1995	3,997,500	10	10	Consideration other than cash	Allotment to GMB	29,177,500	291,775,000	Nil
July 29, 1995	1,878,800	10	10	Cash	Allotment to Seaking Engineers Limited and Mr. Vasant Shenoy	31,056,300	310,563,000	Nil
July 29, 1995	13,943,700	10	10	Consideration other than cash	Allotment to GMB	45,000,000	450,000,000	Nil
July 30, 1996	1,000,000	10	10	Cash	Allotment to Mr. Nikhil Gandhi	46,000,000	460,000,000	Nil
May 16, 1998	30,753,700	10	10	Cash	Allotment of 1,71,33,700 Equity Shares to Seaking Engineers Limited, 39,20,000 Equity Shares to Grevek Investment and Finance Private Limited and 97,00,000 Equity Shares to Montana Valves and Compressors Limited	76,753,700	767,537,000	Nil
July 23, 1998	20,000,000	10	10	Cash	Allotment to Seaking Engineers Limited	96,753,700	967,537,000	Nil

November 11, 1998	17,445,981	10	62.79	Cash	Allotment to PSA India Pte Limited	114,199,681	1,141,996,810	920,973,337
June 7, 2000	20,000,000	10	10	Cash	Conversion of Fully Convertible Debentures to Industrial Development Bank of India	134,199,681	1,341,996,810	920,973,337
August 4, 2000	4,025,000	10	80	Cash	Allotment to Unit Trust of India	138,224,681	1,382,246,810	1,202,723,337
June 29, 2001	10,000,000	10	70	Cash	Allotment APM Terminals Holding Limited	148,224,681	1,482,246,810	1,802,723,337
September 12, 2001	5,875,000	10	80	Cash	Allotment to UTI India Infrastructure Unit Scheme 1999	154,099,681	1,540,996,810	2,213,973,337
October 19, 2001	5,996,560	10	80	Cash	Allotment to New York International India Fund Mauritius LLC	160,096,241	1,600,962,410	2,633,732,537
April 27, 2005	33,000,981	10	40	Cash	Allotment of 1,32,54,381 Equity Shares to IDFC Infrastructure Fund, 75,00,000 Equity Shares to IL&FS Trust Company Limited, 8,70,000 Equity Shares to Jacob Ballas Capital India Private Limited, 1,08,75,000 Equity Shares to Infrastructure Fund of India, 5,01,600 Equity Shares to New York Life International India Fund Mauritius LLC	193,097,222	1,930,972,220	3,623,761,967
June 27, 2005	3,249,019	10	40	Cash	Allotment of 796,535 Equity Shares to IDFC Infrastructure Fund, 24,52,484 Equity Shares to APM Terminals Mauritius Limited	196,346,241	1,963,462,410	3,721,232,537
June 29, 2006	13,750,000	10	40	Cash	Conversion of Fully Convertible Debentures to IDFC Infrastructure Fund	210,096,241	2,100,962,410	4,133,732,537
September 11, 2007	76,341,139	10	50	Cash	Rights Issue*	286,437,380	2,864,373,800	7,187,378,097
September 21, 2007	965,555	10	50	Cash	Rights Issue to individual investors	287,402,935	2,874,029,350	7,226,000,297

October 1, 2007	6,297,063	10	50	Cash	Rights Issue to APM Terminals Mauritius Limited	293,699,998	2,936,999,980	7,477,882,817

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

b) Preference Share Capital History:

Date of allotment of Preference Shares	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Cumulative No. of Preference Shares	Cumulative Paid-up Preference Share capital (Rs.)
June 29, 2004	51,780,000*	10	10	Conversion of Debt as per the CDR scheme	51,780,000	517,800,000

* 27,000,000 Preference Shares issued to Industrial Development Bank of India Limited, 870,000 Preference Shares issued to Industrial Investment Bank of India, 13,270,000 Preference Shares issued to Export Import Bank of India and 10,640,000 Preference Shares issued to Punjab National Bank.

In terms of the Letter of Intent dated September 19, 2008 entered into between the Company and the Industrial Development Finance Company Limited in relation to the refinancing of the debt of the Company, the Preference Shares issued by the Company shall be redeemed prior to filing of the Red Herring Prospectus with the RoC. For more details of the Letter of Intent see "Indebtedness" on page 125 of the Draft Red Herring Prospectus.

2. Promoters contribution and Lock – in

(a) History of Equity Shares held by our Promoters

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

Date of Allotment / Transfer	Nature of Consideration	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	Nature of acquisition Allotment/Transfer	Cumulative No. of Equity Shares
January 18, 2005	Cash	34,891,962	10	40	Transfer	34,891,962
April 29, 2005	Cash	41,325,000	10	40	Transfer	76,216,962
June 27, 2005	Cash	2,452,484	10	40	Allotment	78,669,446
October 21, 2005	Cash	19,350,000	10	40	Transfer	98,019,446
February 24, 2006	Cash	10,875,000	10	50	Transfer	108,894,446
September	Cash	43,332,450	10	50	Allotment	152,226,896

Date of Allotment / Transfer	Nature of Consideration	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	Nature of acquisition Allotment/Transfer	Cumulative No. of Equity Shares
11, 2007						
October 1, 2007	Cash	6,297,063	10	50	Allotment	158,523,959
August 12, 2008	Cash	2,464,380	10	50	Transfer	160,988,339

Our other Promoters, APM Terminals B.V. and APM Terminals Mauritius Holding Limited do not hold and has never held Equity Shares of the Company.

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

Pursuant to the SEBI guidelines, an aggregate of 20% of the post Issue equity share capital of the Company held by the Promoters shall be locked in as minimum Promoters' contribution. Such lock-in shall commence from the date of Allotment in the Issue and shall continue for a period of three years from such date.

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

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

The Equity Shares, which are being locked in, are not ineligible for computation of Promoters' contribution under clauses 4.6 and 4.11 of the SEBI guidelines. Equity Shares offered by Promoters for minimum Promoters' contribution are not subject to pledge.

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

In terms of clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years as specified above, the balance pre-Issue share capital of the Company [●] Equity Shares shall be locked in for a period of one year from the date of allotment in the Issue.

In terms of clause 4.14.2 of the SEBI Guidelines, Equity Shares held by our shareholders who are venture capital funds / venture capital investor for a period of atleast one year as on the date of this Draft Red Herring Prospectus will not be subject to lock in as aforesaid. The details of such Equity Shares held by the venture capital funds / venture capital investor are set forth in the table below:

Name of shareholder	Date of acquisition	Nature of acquisition	No. of Equity Shares
India Development Fund I	April 27, 2005	Allotment	13,254,381
	April 29, 2005	Transfer	4,245,619
	June 27, 2005	Allotment	796,535
	June 29, 2006	Allotment	13,750,000
Sub-total (A)			**32,046,535**
India Development Fund II	September 11, 2007	Allotment	12,752,302
Sub-total (B)			**12,752,302**
Leverage India Fund	April 27, 2005	Allotment	7,500,000

Name of shareholder	Date of acquisition	Nature of acquisition	No. of Equity Shares
	September 11, 2007	Allotment	2,984,480
Sub-total (C)			**10,484,480**
Total (A + B + C)			**55,283,317**

(d) Other requirements in respect of lock in

In terms of clause 4.15 of the SEBI Guidelines, the locked in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that such pledge of the Equity Shares is in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue. Further, Equity Shares locked in as minimum promoter contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more objects of the Issue.

76,361,999 Equity Shares held by our Promoter, APM Terminals Mauritius Limited, have been pledged with Infrastructure Development Finance Company Limited as collateral security in its capacity as a security trustee for loans granted by Infrastructure Development Finance Company Limited, Industrial Development Bank of India, Punjab National Bank, Industrial Investment Bank of India Limited, Export Import Bank of India, Housing Development Finance Corporation Limited, HDFC Bank Limited and Union Bank of India to the Company in terms of loan agreements entered into by the Company with these lenders. For further details of these loans, see "Indebtedness" on page 125 of this Draft Red Herring Prospectus. These Equity Shares do not constitute 20% of the fully diluted post Issue share capital of the Company that will be locked in for a period of three years from the date of Allotment.

As per clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters prior to the issue may be transferred to any other person holding Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with SEBI Takeover Regulations.

In accordance with Clause 4.16.1 (b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations.

4. **Shareholding pattern of our Company**

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

	Pre-Issue		Post-Issue*	
Shareholders	**Number of Equity Shares**	**Percentage of Equity Share capital**	**Number of Equity Shares**	**Percentage of Equity Share capital**
Promoters				
APM Terminals Mauritius Limited	160,988,339	54.81	[●]	[●]
APM Terminals B.V.	0	0	0	0
APM Terminals Mauritius Holding Limited	0	0	0	0

Shareholders	Pre-Issue		Post-Issue*	
	Number of Equity Shares	Percentage of Equity Share capital	Number of Equity Shares	Percentage of Equity Share capital
Total holding of Promoters (A)	**160,988,339**	**54.81**	**[●]**	**[●]**
Promoter Group	**0**	**0**	**0**	**0**
Total holding of Promoter Group (B)	**0**	**0**	**0**	**0**
Total holding of Promoters and Promoter Group (A + B)	**160,988,339**	**54.81**	**[●]**	**[●]**
Institutional shareholders				
India Development Fund I	32,046,535	10.91	[●]	[●]
Industrial Development Bank of India Limited	27,958,615	9.52	[●]	[●]
The Infrastructure Fund of India LLC	15,202,497	5.18	[●]	[●]
New York Life International India Fund (Mauritius) LLC	14,748,160	5.02	[●]	[●]
India Development Fund II	12,752,302	4.34	[●]	[●]
Leverage India Fund	10,484,480	3.57	[●]	[●]
The India Infrastructure Fund LLC	8,212,843	2.80	[●]	[●]
UTI Unit Scheme 64	2,830,810	0.96	[●]	[●]
UTI – Unit Linked Insurance Plan	349,483	0.12	[●]	[●]
Administrator of the Specified Undertaking	1,397,931	0.48	[●]	[●]

Shareholders	Pre-Issue		Post-Issue*	
	Number of Equity Shares	Percentage of Equity Share capital	Number of Equity Shares	Percentage of Equity Share capital
of the Unit Trust of India – ARS Bonds				
Administrator of the Specified Undertaking of the Unit Trust of India – DRF	1,048,448	0.36	[●]	[●]
Total holding of the Institutional Investors (C)	**127,032,104**	**43.26**	**[●]**	**[●]**
Others				
Bodies Corporate	1,451,884	0.49	[●]	[●]
Non Resident Indians	363,661	0.12	[●]	[●]
Resident Individual	3,864,010	1.32	[●]	[●]
Total holding of Others (D)	**5,679,555**	**1.93**	**[●]**	**[●]**
Total Pre-Issue Share Capital (A+B+C+D)	**293,699,998**	**100.00**		
Eligible Employees (pursuant to the Employee Reservation Portion)	-	-	[●]	[●]
Public (pursuant to the Issue)	-	-	[●]	[●]
Total Post-Issue Share Capital [A+B+C+D]	**-**	**-**	**[●]**	**[●]**

* Our Promoter, APM Terminals Mauritius Limited, may be allotted Equity Shares pursuant to the Preferential Allotment. Other than such Preferential Allotment, none of our Promoters or Promoter Group entities shall subscribe to, or be allotted, Equity Shares in the Issue.

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

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

S. No.	Shareholder	No. of equity shares held	Percentage
1.	APM Terminals	160,988,339	54.81

S. No.	Shareholder	No. of equity shares held	Percentage
	Mauritius Limited		
2.	India Development Fund I	32,046,535	10.91
3.	Industrial Development Bank of India Limited	27,958,615	9.52
4.	The Infrastructure Fund of India LLC	15,202,497	5.18
5.	New York Life International India Fund (Mauritius) LLC	14,748,160	5.02
6.	India Development Fund II	12,752,302	4.34
7.	Leverage India Fund	10,484,480	3.57
8.	The India Infrastructure Fund LLC	8,212,843	2.80
9.	UTI Unit Scheme 64	2,830,810	0.96
10.	Administrator of the Specified Undertaking of the Unit Trust of India – ARS Bonds	1,397,931	0.48
	Total	**286,622,512**	**97.59**

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

S. No.	Shareholder	No. of equity shares held	Percentage
1.	APM Terminals Mauritius Limited	160,988,339	54.81
2.	India Development Fund I	32,046,535	10.91
3.	Industrial Development Bank of India Limited	27,958,615	9.52
4.	The Infrastructure Fund of India LLC	15,202,497	5.18
5.	New York Life International India Fund (Mauritius) LLC	14,748,160	5.02
6.	India Development Fund II	12,752,302	4.34
7.	Leverage India Fund	10,484,480	3.57
8.	The India Infrastructure Fund LLC	8,212,843	2.80
9.	UTI Unit Scheme 64	2,830,810	0.96
10.	Administrator of the Specified Undertaking of the Unit Trust of India – ARS Bonds	1,397,931	0.48
	Total	**286,622,512**	**97.59**

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

S. No.	Shareholder	No. of equity shares (of Rs. 10 each) held*	Percentage
1.	APM Terminals Mauritius Limited	108,894,446	51.83
2.	India Development Fund I	32,046,535	15.25
3.	Industrial Development Bank of India Limited	20,000,000	9.52
4.	New York Life International India Fund (Mauritius) LLC	14,748,160	7.02
5.	The Infrastructure Fund of India LLC	10,875,000	5.18
6.	Leverage India Fund	7,500,000	3.57
7.	UTI A/C India Infrastructure Fund Unit Scheme 1999	5,875,000	2.80
8.	UTI Unit Scheme 64	2,025,000	0.96
9.	Maersk India Private Limited	1,743,300	0.83
10.	Jacob Ballas Capital India Private Trust	870,000	0.41
	TOTAL	**204,577,441**	**97.37**

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

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

8. None of our Promoters, Directors or Promoter Group has purchased or sold any Equity Shares within the six months preceding the date of this Draft Red Herring Prospectus with SEBI except as stated below:

Particulars	No. of Equity Shares	Percentage of pre-Issue capital
Transfer of shares held by Maersk India Private Limited to APM Terminals Mauritius Limited	2,464,380	0.84%

9. The Company operates the Port as a concessionaire under a concession from GMB in terms of the Concession Agreement. Under the Concession Agreement and GMB's letter dated July 3, 2008, APM Terminals Mauritius Limited is required to maintain a minimum shareholding of 46.0% in the Company until December 2009. At the proposed Issue size depending on the Issue Price determined on the basis of the Book Building Process, the shareholding of APM Terminals Mauritius Limited may fall below 46.0%. Accordingly, the Company APM Terminals Mauritius Limited propose that APM Terminals Mauritius Limited will be allotted further Equity Shares on a preferential basis in order to keep their shareholding in the Company at 46.0%.

   The Company shall issue, and APM Terminals Mauritius Limited shall subscribe to, Equity Shares as stated above at the Issue Price. Since the Preferential Allotment shall be made at the Issue Price, the same shall be carried out after filing of the Red Herring Prospectus and Bid/Issue Closing Date and upon determination of the Issue Price, in terms of this Draft Red Herring Prospectus. However, the Preferential Allotment shall be concluded prior to the Allotment of Equity Shares under the Issue.

   For the purposes of the Preferential Allotment, APM Terminals Mauritius Limited shall, at least one day prior to the Bid/Issue Opening Date, deposit in an escrow account an amount equivalent to the maximum amount payable by it, assuming that the Issue Price may be finalised at each point in the Price Band. This advance against subscription shall be retained in an escrow account until the Pricing Date. At the Pricing Date, APM Terminals Mauritius Limited will be allotted such number of Equity Shares at the Issue Price as are required to maintain their shareholding at 46.0% of the post Issue capital. Thereafter, the Allotment under the Employee Reservation Portion and the Net Issue to the Public shall be made. The balance amount in the escrow account shall be refunded to APM Terminals Mauritius Limited.

The Net Issue to the public shall, in any event, be greater than 10% of the post Issue paid equity capital of the Company. For details of the number of Equity Shares that will be allotted to APM Terminals Mauritius Limited at various levels of the Price Band see "General Information" on page 9 of the Draft Red Herring Prospectus.

10. A total of upto [●] Equity Shares aggregating to Rs. 50 million, have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid in this portion being Rs. [●]. Only Eligible Employees as on [●] would be eligible to apply in this Issue under Reservation for Eligible Employees. Eligible Employees may Bid in the Net Issue as well and such Bids shall not treated as multiple Bids.

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

12. Other than the outstanding Preference Shares issued to Industrial Development Bank of India Limited, Industrial Investment Bank of India, Export Import Bank of India and Punjab National Bank pursuant to the Approved CDR Scheme as mentioned above in "- Preference Share Capital history", there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

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

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

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

16. We have 956 shareholders as of the date of this Draft Red Herring Prospectus.

17. The Company has not raised any bridge loans against the proceeds of the Issue.

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

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

20. In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder

of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Additionally, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate at least Rs. 1,000 million. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The Company is considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.

21. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue at the discretion of the BRLMs and the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

OBJECTS OF THE ISSUE

The objects of the Issue are to:

(I) Infuse funds for certain elements of our ongoing expansion plan, as under:

  (a) Construction of Container Yards and allied facilities at Port Pipavav;

  (b) Phase 2 of capital dredging at Port Pipavav;

  (c) Purchase of Post Panamax Quay Cranes;

  (d) Purchase of Rubber Tyred Gantry (RTG) Cranes;

(II) Repayment of Sponsor Support Loan to our Promoter, APMT Mauritius;

(III) General Corporate Purposes; and

(IV) Achieve the benefits of listing on the Stock Exchanges.

The main objects and objects incidental or ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirements below are based on our current business plan. In view of the highly competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently our fund requirement may also change. We may also 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 design or configuration of the project, incremental preoperative expenses and external factors such as geological assessments which may not be within the control of our management. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any variations in the actual utilisation of funds earmarked for the above activities, or in the event of a shortfall in raising the requisite capital from the proceeds of the Issue towards meeting the objects of the Issue, increased fund deployment for a particular activity will be met by way of such means available to our Company, including by way of incremental debt or cash available with us. In case of surplus funds, the same shall be utilised towards general corporate purposes.

The details of the proceeds of the Issue are summarised in the table below:

(in Rs. million)

Particulars	Amount
Gross proceeds of the Issue*	[•]
Issue related expenses*	[•]
Net Proceeds of the Issue*	**[•]**

* Will be incorporated after finalisation of Issue Price

Expenses of the Issue

The estimated issue related expenses are as follows:

Activity	Estimated Expense (in Rs. million)*	% of Issue Size	% of Issue Expenses
Lead management fee, underwriting and selling commission	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
IPO Grading expenses	[•]	[•]	[•]

Activity	Estimated Expense (in Rs. million)*	% of Issue Size	% of Issue Expenses
Printing and stationery	[•]	[•]	[•]
Others (Monitoring Agent fees, Registrar's fee, legal fee, listing fee etc.)	[•]	[•]	[•]
Total estimated issue expenses	[•]	[•]	[•]

* Will be incorporated after finalisation of Issue Price

Cost of the Project

Our ongoing expansion plan has been under implementation since 2003. The current estimated total cost of the project is Rs. 14,212.00 million.

The following table summarises the total cost of the ongoing expansion project since April 1, 2003:

(All figures in Rs. million)

PARTICULARS	AMOUNT	TOTAL
INFRASTRUCTURE		
Land Development & Yards	1,023.37	
Jetties & Berths	1,197.67	
Buildings	698.76	
Dredging	4,421.18	
Water Systems	69.15	
Roads	387.22	
Rail	182.14	
Miscellaneous	0.62	**7,980.11**
SUPERSTRUCTURE		
Cranes, RTGs, etc.	3,306.48	
Rolling Stock	13.07	
Furniture, Fixtures & Fittings	7.49	
Navigational Aids	31.85	
Power Systems	373.16	
Environmental	314.88	**4,046.93**
SYSTEMS		
Hardware	52.13	
Software	51.50	
Communications & Security	19.43	**123.06**
INVESTMENT IN PRCL		**830.00**
PRELIMINARY & PRE-OPERATING EXPENSES		**398.32**
OTHERS		
Consultancy Fees	393.58	
Contingency	440.00	**833.58**
TOTAL PROJECT COST		**14,212.00**

Means of Financing

The means of finance for the overall expansion project as on date have been detailed as under:

(All figures in Rs. million)

PARTICULARS	AMOUNT
Equity capital	1,898.40*
Debt	5,962.58†
Rights issue	1,967.20**
Sponsor Support Loan	314.26††
IPO	3,621.05
Additional debt	448.51
	14,212.00

* Rs. 2,000.00 million was brought in as equity by APMT Mauritius, IDFC Private Equity Company Limited (through the India Development Fund I), The Infrastructure Fund of India of AMP Capital, IL & FS, Jacob Ballas Capital India Private Limited and New York Life International India Fund (Mauritius) LLC, out of which Rs. 1,898.40 million was used for the expansion project while the balance was used for working capital purposes.

† A Long Term Rupee Loan for Rs. 5,962.58 million was tied up from IDFC, HDFC, HDFC Bank and Union Bank of India.

** The Company had raised equity to the tune of Rs. 4,180.19 million by way of a Rights Issue in October 2007. Rs. 1,967.20 million has been utilised for the expansion project. Of the balance, Rs. 558.20 million has been set aside for the redemption of preference shares, Rs. 350.00 million has been set aside for Debt Service Reserve Account, Rs. 526.75 million has been used for loan repayments, and the remaining towards rights issue expenses, working capital and general corporate purposes.

†† APMT Mauritius has brought in Rs. 314.26 million by way of sponsor support loan. The salient terms of the same are as under:

- Interest payable is 12-months USD-LIBOR plus a margin of 2% p.a.
- The said loan shall be repaid by December 31, 2009 together with any withholdings made by the borrower

In view of the above arrangement, we confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance for the overall expansion project excluding the amount to be raised through the Net Proceeds of the Issue have been made.

The Company, upto August 31, 2008, has incurred a capital expenditure of Rs. 7,904.73 million and has project currently under implementation of Rs. 1,283.96 million. The Company had tied up a Long Term Rupee Loan for Rs. 5,962.58 million from Domestic Financial Institutions / Banks for meeting the original project cost. Out of the above debt, the Company has drawn Rs. 3,881.53 million upto August 31, 2008. The balance debt of Rs. 2,081.05 million is available for meeting the project cost.

Recent Development

The Company is in the process of contracting a rupee term loan to the extent of Rs. 12 billion. To this end, Infrastructure Development Finance Company Limited have agreed in terms of the Letter of Intent dated September 19, 2008 to underwrite the senior secured debt to the extent of Rs. 10 billion, and syndicate the balance Rs. 2 billion. For further details, see "Indebtedness" on page 125 of the Draft Red Herring Prospectus.

The total funding requirement of the Company is as under:

Funding Requirement	Amount (Rs. billion)
Expansion Project	14.21
Refinancing of CDR debt	3.68
Net cash losses	0.86
Debt Service and O&M reserve requirements	0.19
PRCL guarantee payments	0.70
Total Funding Requirement	**19.64**

The financing plan of the Company as per the Letter of Intent dated September 19, 2008 with Infrastructure Development Finance Company Limited is as under:

Financing Plan	Amount (Rs. billion)
Equity already brought in	4.91
Sponsor support funding already brought in	0.30
IPO proceeds (not less than)	2.43
Senior debt	12.00
Total Means of Finance	**19.64**

As per the proposed financing plan as above, the IPO is to contribute not less than Rs. 2.43 billion. Any increase in the proceeds from the IPO would allow us to draw a lesser amount of debt from the sanctioned amount. Alternatively, the debt could be used for other purposes as considered necessary and with the approval of the lender (s).

Requirement of Funds and Schedule of Utilisation

The Net Proceeds of the Issue will be used to finance:

(a) part of Infrastructure development covering Land Development & Yards and Dredging,
(b) Superstructure development covering Cranes, RTGs etc., and
(c) Repayment of sponsor support loan as tabulated hereunder.

Particulars		Estimated Cost (in Rs. Million)
I)	Infuse funds for our ongoing expansion plan	
a)	Construction of Container Yards 7 & 8 and allied facilities at Port Pipavav ("Land Development & Yards")	365.94
b)	Phase 2 of capital dredging at Port ("Dredging")	2,430.94
c)	Purchase of Post Panamax Quay Cranes (Cranes, etc.)	495.18
d)	Purchase of Rubber Tyred Gantry (RTG) Cranes (RTGs Cranes, etc.)	328.99
II)	Repayment of Sponsor Support Loan to our Promoter, APMT Mauritius	314.26
Sub-Total		**3,935.31**
III)	General Corporate Purposes	[●]
Total		[●]

The break-down of the proposed utilisation of the Net Proceeds excluding general corporate purposes, and the year-wise deployment is as follows:

(In Rs. million)

S. No.	Particulars	FY 2008	FY 2009	Total
I)	Ongoing Expansion Plans			
a)	Construction of Container Yards and allied facilities at Port Pipavav	-	365.94	**365.94**
b)	Phase 2 of capital dredging at Port Pipavav	-	2,430.94	**2,430.94**
c)	Purchase of Post Panamax Quay Cranes	-	495.18	**495.18**
d)	Purchase of Rubber Tyred Gantry (RTG) Cranes	-	328.99	**328.99**
II)	Repayment of Sponsor Support Loan to our Promoter, APMT Mauritius		314.26	**314.26**
	Sub-Total	**-**	3,935.31	**3,935.31**
III)	General Corporate Purposes	-	[●]	[●]
	Total	**-**	[●]	[●]

Details of funds deployed

The status of expenditure incurred for the above project as on August 31, 2008 is tabulated below:

(In Rs. million)

Particulars	Amount	Total
INFRASTRUCTURE		
Land Development & Yards	557.34	
Jetties & Berths	1,100.95	
Buildings	31.57	
Dredging	1,416.42	

Particulars		Amount	Total
	Water Systems	60.65	
	Roads	102.39	
	Rail	72.14	
	Miscellaneous	0.48	**3,341.94**
SUPERSTRUCTURE			
	Cranes, RTGs, etc.	2,421.27	
	Rolling Stock	13.07	
	Furniture, Fixtures & Fittings	7.49	
	Navigational Aids	6.85	
	Power Systems	345.23	
	Environmental	227.98	**3,021.89**
SYSTEMS			
	Hardware	52.02	
	Software	7.48	
	Communications & Security	0.84	**60.34**
INVESTMENT IN PRCL			**830.00**
PRELIMINARY & PRE-OPERATING EXPENSES			**361.44**
OTHERS			
	Consultancy Fees	289.12	
	Contingency	-	**289.12**
	TOTAL		**7,904.73**

Note: In accordance with the currently applicable Accounting Standards, certain expenses such as consultancy costs and exchange rate variations has been charged to the Profit & Loss Account though incurred on account of project implementation. To this extent, the expenditure incurred and included above may not be capitalised

Details of use of Net Proceeds

I) Ongoing Expansion Plan

a) Land Development and Yards

Out of the estimated cost of Rs. 1,023.37 million for Land Development & Yards, the estimated cost of construction of container yards is Rs. 845.61 million.

Our business plan envisages the construction of Container Yards designated as Area 1 to Area 8. Areas 1 to 5 have already been constructed by Afcons Infrastructure Limited at a total cost of Rs. 383.14 million. The specifications of the 5 Container Yards already constructed are as under:

Particulars	Area (m^2)
Area 1	22,698
Area 2	10,206
Area 3	27,591
Area 4	22,303
Area 5	25,293
Total	**108,091 (= 10.81 hectares)**

Area 6 admeasuring 30,583 m^2 is under construction and the contract for the same has been awarded to M/s Sarjan Construction Co. Pvt. Ltd. The same is expected to be completed by December 2008. Rs. 10.33 million has been expended until August 31, 2008 for development of Area 6.

Areas 7 & 8, the construction of which forms part of the objects of this issue are intended to be of areas 21,326 m^2 and 102,326 m^2 respectively. The cost of construction of the same is estimated at Rs. 63.11 million and Rs. 302.83 million respectively.

The total area of Container Yards at the end of the current expansion plan would therefore be 26.23 hectares. Once completed, the Container Yards from Area 1 to Area 8 would have the capacity to store 1.3

million TEUs of containers.

The details of expenditure incurred on the construction of Container Yards and the schedule of expected future expenditure is as under:

(All figures in Rs. million)

Particulars	Expenditure incurred till August 31, 2008	Expenditure estimated to be incurred in balance of FY 2008	Expenditure estimated to be incurred in FY 2009	Total
Construction of Container Yards and allied facilities at Port Pipavav	393.47*	86.20	365.94	**845.61**

* As certified by V. Sankar Aiyar & Co, Chartered Accountants, vide their certificate dated September 18, 2008 for amounts incurred as of August 31, 2008

b) Phase 2 of capital dredging at Port Pipavav

Out of the estimated cost of Rs. 4,421.18 million for capital dredging, Rs. 1,398.70 million has been spent towards Phase 1, where the vessel acceptance draft was increased to 12.5 m. Phase 2 of capital dredging to increase the vessel acceptance draft from 12.5 m to 14.5 m is estimated to cost Rs. 3,022.48 million.

The Phase 2 dredging would involve the deepening of the berth pockets to -16m CD including an extended 30 m on either ends of the berths. The width would be 50 m. The inner channel and the outer channel would be deepened from -11.5m CD to -14.5 m CD. An ellipse is being added to the north-east side of the current turning circle to enable ease of turning for larger vessels. The turning basin would also be deepened to 13.5 m.

With the completion of Phase 2 dredging, the vessel acceptance draft would increase to 14.5 m during high tide. This would enable the Port to handle Panamax bulk carriers upto 110,000 DWT, Post-Panamax container carriers and large LNG carriers.

It is intended to use the material dredged, to raise the existing ground levels in various areas of the port.

We expect the Phase 2 dredging to have no adverse impact on the day-to-day operations of the port.

The contract to implement the Phase 2 dredging is being entered into with the Boskalis Group. We have issued a letter of intent to Boskalis International BV, Netherlands, and the contract is planned to be awarded to Zinkcon Marine (Singapore) Pte Ltd, a subsidiary of Royal Boskalis Westminster. The contract is a lumpsum contract with an allowance for agreed variation. The contract envisages dredging approximately 2.8 million m^3 (based on pre-survey conducted) and would take 31 weeks to complete. There would be an interim and a post-dredge survey, as is the industry practice.

The details of expenditure incurred on Phase 2 capital dredging and the schedule of expected future expenditure is as under:

(All figures in Rs. million)

Particulars	Expenditure incurred till August 31, 2008	Expenditure estimated to be incurred in balance of FY 2008	Expenditure estimated to be incurred in FY 2009	Total
Phase 2 of capital dredging at Port Pipavav	17.72*	573.82	2,430.94	**3,022.48**

* As certified by V. Sankar Aiyar & Co., Chartered Accountants, vide their certificate dated September 18, 2008 for amounts incurred as of August 31, 2008

c) Purchase of Cranes

Out of the estimated cost of Rs. 3,306.48 million for Cranes, etc. an estimated cost of Rs. 1,374.97 million has been earmarked for the purchase of Post Panamax quay cranes.

Three Post Panamax quay cranes have already been purchased for Rs. 851.98 million as on date. Orders have been placed for a further 2 cranes from ZPMC, along with three twin lift spreaders from Bromma. These cranes have an outreach of 18 containers across on a ship. The cranes along with the spreaders would result in a nominal lifting capacity of 61 tonnes.

The total cost of the newly ordered cranes is approximately Rs. 522.99 million (USD 13 million). An advance of 5% equivalent to Rs. 27.81 million (USD 0.65 million) has already been paid for the cranes. The balance would be payable on delivery in February 2009.

The details of expenditure incurred on the purchase of Post Panamax quay cranes and the schedule of expected future expenditure is as under:

(All figures in Rs. million)

Particulars	Expenditure incurred till August 31, 2008	Expenditure estimated to be incurred in balance of FY 2008	Expenditure estimated to be incurred in FY 2009	Total
Purchase of Post Panamax Quay Cranes	879.79*	-	495.18	**1,374.97**

* As certified by V. Sankar Aiyar & Co., Chartered Accountants, vide their certificate dated September 18, 2008 for amounts incurred as of August 31, 2008

d) Purchase of RTG Cranes

Out of the estimated cost of Rs. 3,306.48 million for Cranes, RTGs etc. an estimated cost of Rs. 1,371.91 million has been earmarked for the purchase of Rubber Tyred Gantry (RTG) cranes.

18 RTG cranes have already been purchased for Rs. 1025.67 million as on date. Orders have been placed for a further six cranes from ZPMC, for a total cost of Rs. 346.24 million (USD 8.07 million). These cranes would cater to 5+1 stacking.

An advance of 5% equivalent to Rs. 17.25 million (USD 0.40 million) has already been paid for the cranes. The balance would be payable on delivery in February 2009.

The details of expenditure incurred on the purchase of RTG cranes and the schedule of expected future expenditure is as under:

(All figures in Rs. million)

Particulars	Expenditure incurred till August 31, 2008	Expenditure estimated to be incurred in balance of FY 2008	Expenditure estimated to be incurred in FY 2009	Total
Purchase of RTG Cranes	1,042.92*	-	328.99	**1,371.91**

* As certified by V. Sankar Aiyar & Co., Chartered Accountants, vide their certificate dated September 18, 2008 for amounts incurred as of August 31, 2008

II) Repayment of Sponsor Support Loan to our Promoter, APMT Mauritius

APMT Mauritius has brought in Rs. 314.26 million by way of sponsor support loan towards funding the expansion project. The salient terms of the same are as under:

- Interest payable is 12-months USD-LIBOR plus a margin of 2% p.a.
- The said loan shall be repaid by December 31, 2009 together with any withholdings made by the borrower.

The principal portion of the sponsor support loan is intended to be repaid out of the net issue proceeds.

The schedule of the above repayment is as under:

(All figures in Rs. million)

Particulars	Expenditure incurred till August 31, 2008	Expenditure estimated to be incurred in balance of FY 2008	Expenditure estimated to be incurred in FY 2009	Total
Repayment of Sponsor Support Loan to our Promoter, APMT Mauritius	-	-	314.26	**314.26**

The schedule of implementation / repayment for the objects is estimated to be as follows:

Particulars		Date of Completion
Ongoing Expansion Plans		
Construction of Container Yards and allied facilities at Port Pipavav		
	Area 7	March 2009
	Area 8	December 2009
Phase 2 of capital dredging at Port Pipavav		June 2009
Purchase of Post Panamax Quay Cranes		February 2009
Purchase of Rubber Tyred Gantry Cranes		February 2009
Repayment of Sponsor Support Loan to our Promoter, APMT Mauritius		December 2009

III) General Corporate Purposes

We intend to use a part of the Net Proceeds towards general corporate purposes to drive the growth of our business including development of new projects and marketing initiatives, commercial requirements and incidental cash losses, if any.

Appraisal Report

None of the projects for which the Net Proceeds will be utilised have been financially appraised. The estimates of the costs of objects mentioned above are based on internal estimates of our Company and quotes received from vendors of equipment and consideration payable for contracts already executed.

Working Capital Requirement

The Net Proceeds will not be used to meet our working capital requirements as we expect to have internal accruals, avail debt and/or draw down from our existing or new lines of credit to meet our existing working capital requirements.

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilisation for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including investments in mutual funds, deposits with banks and other investment grade interest bearing securities. Such investments would be in accordance with investment policies approved by our Board from time to time. Our Company confirms that pending utilisation of the Net Proceeds it shall not use the funds for any investments in the equity markets.

Monitoring of Utilisation of Funds

Our Board will monitor the utilisation of the Net Proceeds, through its Audit Committee. We will disclose the details of the utilisation of the Issue proceeds, including interim use, under a separate head in our financial statements for fiscals 2009 and fiscal 2010, specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular clause 49 of the Listing Agreement. As per the requirements of clause 49 of the Listing Agreement, we will disclose to the Audit Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the full money raised through the Issue has been fully spent. The statement shall be certified by our statutory auditors. Further we will furnish to the stock exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus.

As stated above, part of the Net Proceeds shall be utilised towards repayment of the sponsor support loan given by APM Terminals Mauritius Limited. Other than as stated in this section and in the normal course of business, we will not pay any part of the Issue proceeds as consideration to the Promoters, the Promoter Group, the Directors or the Key Managerial Personnel.

BASIS FOR ISSUE PRICE

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

Qualitative Factors

- Our natural and location advantages and protection from severe weather that enables us to handle cargo throughout the year.
- We are in a strategic position to service the trade from the landlocked north and northwest regions of India which generates significant port traffic.
- We offer shorter transit times to northwest India for cargo than the ports in Mumbai due to our available capacity and position near the entrance of the Gulf of Khambhat (formerly known as Gulf of Cambay) on the main maritime trade routes in the Arabian Sea..
- Well developed port infrastructure which provides us sufficient resources for future expansion
- Access to rail and road network that provides us with a competitive advantage over competing ports in attracting larger volumes of cargo.
- We are led by experienced and highly qualified professionals and also benefit from access to the APMM Group's experienced personnel resources. Our management team has an established track record and knowledge in the port and shipping industry.

For a detailed discussion on the qualitative factors which form the basis for computing the price, see the sections "Our Business" and "Risk Factors" beginning on pages 63 and xiii of this Draft Red Herring Prospectus.

Quantitative Factors

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

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

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

Financial Period	Rs.
Period ended December 31, 2005*	(2.20)
Year ended December 31, 2006	(3.41)
Year ended December 31, 2007	(3.63)
Period ended March 31, 2008*	(2.76)

** Annualised*

Notes:

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

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

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

(a) Based on year ended December 31, 2007 adjusted EPS is Rs. (3.63).

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

(c) Industry P/E*: 79.6
** Source: "Capital Market" Volume XXIII/15, dated Sep 22 – Oct 05, 2008*

3. Return on Net Worth

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

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

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

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

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

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

(a) As of December 31, 2007: Rs. 16.68

(b) After the Issue: Rs. [●]

NAV has been calculated as per the following formula:

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

5. Comparison with Industry Peers

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

	Face Value per share (Rs.)	EPS (Rs.)	P/E (times)	Return on Net Worth (%)	Book Value (Rs.)
Gujarat Pipavav Port Limited**	10	(3.63)	[●]	-*	16.68
Peer Group(1)					
Mundra Port and SEZ Limited	10	4.8	79.6	11.5	65.1

** Not applicable as the return/ net worth is negative for the year/period as at the balance sheet date.*
***EPS and Book Value as on December 31, 2007*
(1) All figures for peer group are from Capital Market" Volume XXIII/15, dated Sep 22 – Oct 05, 2008

The Book Running Lead Managers believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. For details, see "Risk Factors" on page xiii of the Draft Red Herring Prospectus and the audited financial statements of our Company, as set out in the Auditors Report stated on page 162 of the Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Gujarat Pipavav Port Limited,
Empire Industrial Complex,
414, Senapati Bapat Marg,
Lower Parel (W),
Mumbai 400 013

Dear Sirs,

Statement of Possible Tax Benefits available to the Company and its shareholders

We report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders of the Company under the Income Tax Act, 1961 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 provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue
.
We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these benefits in the future; or

(ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For **B S R & Associates**
Chartered Accountants

Partner
Membership No:
Place: Mumbai

Date: September 10, 2008

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

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

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

General Tax Benefits

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

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

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

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

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

Special Tax Benefits

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

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

2.1 Resident Members

General Tax Benefits

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

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

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

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

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

   (i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section;
   (ii) Rural Electrification Corporation Limited ('RECL'), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section;

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

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

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

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

Special Tax Benefits

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

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

General Tax Benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Special Tax Benefits

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

2.3 Foreign Institutional Investors (FIIs)

General Tax Benefits

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

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

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

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

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

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

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

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

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

Special Tax Benefits

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

2.4 Venture Capital Companies / Funds

General Tax Benefits

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

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and fulfilling such conditions as may be notified in the Official Gazette,

from investment in a Venture Capital Undertaking, is exempt from income tax. The definition of "venture capital undertaking" means a domestic company whose shares are not listed in a recognized stock exchange of India.

Special Tax Benefits

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

3. Wealth Tax Act, 1957

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

4. Benefits available under the Gift Tax Act, 1958

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

5. Tax Treaty benefits

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

Notes

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

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

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

SECTION IV: ABOUT THE COMPANY

INDUSTRY

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

Executive Summary

- India's share of world trade, which has gone up from 1.1% in 2004 to 1.5% in 2006, is poised to reach a level of 5% per cent by 2020 *(Source: World Trade Organization and Confederation of Indian Industry).*

- The traffic at ports in India is expected to increase from a current level of 720 million tones to 877 million tonnes per year by fiscal 2012 and 962 million tonnes per year by fiscal 2014, according to the National Maritime Development Programme.

- In the initial years, the traffic was being handled mostly at major ports. However, over the years, non-major ports have also witnessed growth in traffic. With the major ports in India, specially along the west coast of India operating at peak capacities, non-major ports are expected to benefit from increased traffic.

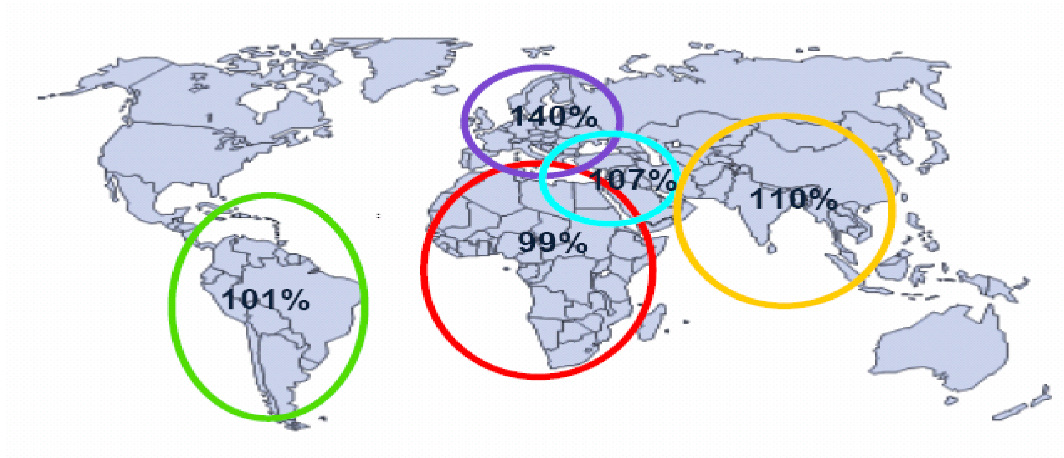
- With the Indian economy expected to grow minimum by 7%, containerization is expected to be atleast double the GDP growth. The level of containerization in India is expected to increase from a present level of 52% of the general cargo traffic to 75% by 2011-12, according to the National Maritime Development Programme.

Overview

World seaborne trade has grown almost continuously since the 1970s. The growth is a function of the global and regional GDP growth which in turn is caused by the continuing and growing dislocation between the locations of resources, manufacturing bases and key areas of consumption. These factors, over the last 20 years, have led to world trade growing at over two times GDP with global seaborne trade growing at a CAGR of 3.7% at the same time. In 2006 nearly 64% of the world trade of 15 billion tonnes moved by sea.

According to World Trade Statistics issued by the World Trade Organization ("WTO"), India's share in total world trade, which includes trade in both merchandise and services sector has gone up from 1.1% in 2004 — i.e., the initial year of the five-year Foreign Trade Policy (2004-09) to 1.5% in 2006

The Global container port capacity is reaching critical levels. Development of port capacity has been fast in countries like China and slow in regions like the United States and Europe due to the fact that large portion of the container trade is originating from the East and South East Asia. Hence seven out of the of the top 10 ports in terms of container volume are located in East and South East Asia with a total traffic of 132 million TEUs in 2007, which represented 27% of the global container throughput. The capacity utilization levels in the global container market by 2011 are expected to be as follows -

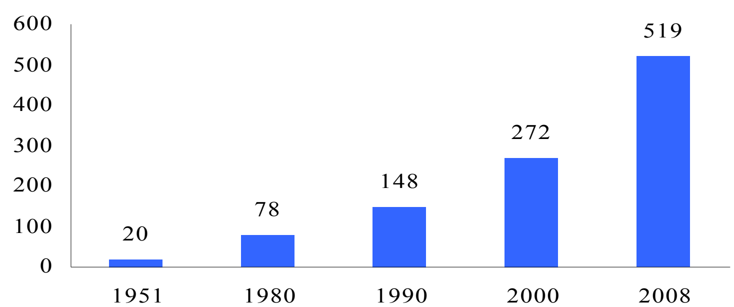


Source: World Bank – Port and Maritime Transport Issues and Views – March 2007
Dynamar B.V. – Carrier, Port and Terminal Operator Rankings – 19 May 2008

At the end of 1951, India had five Major Ports with a throughput of 20 million tonnes. In the next three decades, India's throughput increased to 78 million tonnes by more than doubling the number of Major Ports. In the year 1990, India's Major Ports had achieved a total throughput of 148 million tonnes at 12 Major Ports, 272 million tones at the end of year 2000 and 519 million tonnes at the end of 2008 – an increase of 91% without addition of new Major Ports.
Source: National Maritime Development Programme, 2006

Total cargo handled at Major Ports

(In million tonnes)



Number of Major Ports	5	10	12	12	12

Source: National Maritime Development Programme, 2006

Indian Port Industry

Major Ports and Non-Major Ports

India has an extensive coastline of 7,517 kilometres (excluding the Andaman and Nicobar Islands). The ports and shipping industry in India have been in greater demand due to the growth in imports and exports on account of India's economic expansion. According to the Department of Shipping (Ministry of Shipping, Road Transport and Highways), Government of India, ("Department of Shipping") Indian ports handle around 95% of the total volume of the country's trade and about 70% in terms of value.

Indian ports are divided primarily into major ports ("Major Ports") and non-major ports ("Non-Major Ports"). The classification of a Major Port compared to a Non-Major Port is not based on the capacity or cargo traffic but on control and governance. According to Department of Shipping, there are 12 Major Ports and 200 Non-Major Ports (state ports or minor and intermediate ports) spread across nine coastal states. Only 66 Non-Major Ports are currently operational. Major Port trusts are regulated by the Central Government, which currently manages 11 out of the 12 Major Ports. The Major Port at Ennore is a corporate entity incorporated under the Companies Act, 1956, and was commissioned in February 2001. The Non-Major Ports are regulated by the respective state governments and many of these ports are private ports or captive ports. Major Ports are principally large ports having a combination of dedicated bulk terminals, specialized container terminals and general cargo berths.

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

Source: National Maritime Development Programme

Private sector participation has seen an increase in development of terminals in the major port as well as greenfield ports. Since 2000, there have been significant developments in the Non-Major Ports, which are under the respective state government jurisdictions. This has been possible because of the proactive policies of the state maritime boards, more particularly in states such as Gujarat, Andhra Pradesh and Orissa. The Non-Major Ports under the state government jurisdiction in the private sector are located at Pipavav and Mundra in Gujarat and Kakinada, Krishnapatnam and Gangavaram in Andhra Pradesh. The state government of Gujarat has been a pioneer in formulating proactive policies for the development Non-Major Ports in joint and/or private sector along its coastline.

Strong Growth in Traffic

The significant increase in India's international trade during the recent years has resulted in traffic handled at Major Indian ports increasing at a CAGR of 10.3% to 519 million tonnes in the fiscal year 2008. The traffic at ports in India is expected to increase to 877 million tonnes per year by fiscal 2012 and 962 million tonnes per year by fiscal 2014.

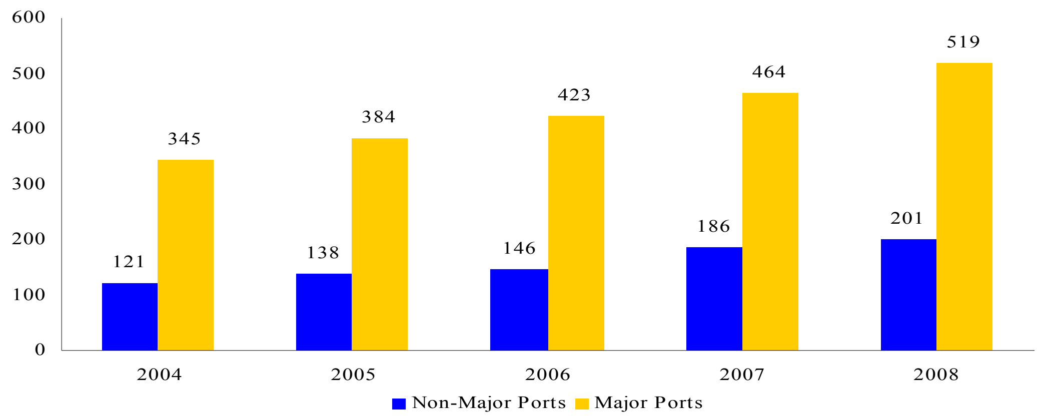
Source: CRISIL, National Maritime Development Programme, 2006 and Working Group Report on Shipping and Inland Water Transport, 11th 5 year plan

According to the National Maritime Development Programme, in 2006 the Government of India fixed an ambitious target of US$ 150 billion for exports by the fiscal year 2009 to double India's share in world exports from approximately 0.8% to 1.5%. This would require exports to grow at a CAGR of at least 15% over the period 2006-09.

Port Traffic

Traffic handled at Indian ports

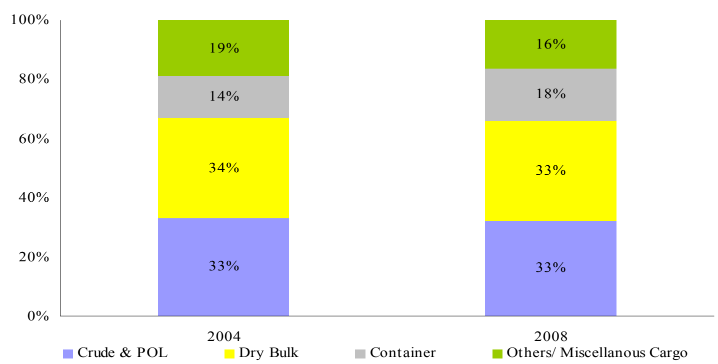
(In million tonnes)



Source: Indian Infrastructure Volume 11

The total cargo traffic carried by both Major and Non-Major Ports in the fiscal year 2008 was 720 million tonnes, of which 519 million tonnes, or 72%, passed through Major Ports and the remaining 201 million tonnes passed through the Non-Major Ports. Over the last decade, cargo traffic at Major Ports has grown at a CAGR of 8.3% and in comparison, cargo traffic at Non-Major Ports has grown at a CAGR of 20.3%. As a result, the share of Non-Major Ports in total volume has increased from 13% in the fiscal year 1999 to 28% in the fiscal year 2008.

Mix of cargo handled at Major Ports



Source: National Maritime Development Programme, 2006 and CRISIL Research, April 2008

During the fiscal year 2008, petroleum products remain the largest principal commodity of the cargo being 32.54% of the total cargo traffic followed by iron ore at 17.72% and coal at 12.56%. Container traffic share was 18% in the fiscal year 2008 as compared to 14% in 2004

Capacity utilization at Major Ports

(In million tones)

Capacity utilization at major ports					
Port	**2006-07**		**2007-08(E)**		
	Capacity	**Capacity Utilization**	**Capacity**	**Capacity Utilization**	**Increase in capacity**
Kandla	46.0	115.2	50.2	129.3	4.2
Mumbai	43.8	119.7	43.8	130.4	0.0
JNPT	51.7	86.7	55.3	100.8	3.6

(In million tones)

Capacity utilization at major ports					
Port	**2006-07**		**2007-08(E)**		
	Capacity	**Capacity Utilization**	**Capacity**	**Capacity Utilization**	**Increase in capacity**
Mormugao	31.5	108.7	31.5	111.5	0.0
New Mangalore	42.5	75.4	42.5	84.8	0.0
Cochin	25.9	59.0	40.3	39.2	14.5
Tuticorin	25.9	69.6	40.3	53.3	14.5
Chennai	54.2	98.6	60.6	94.4	6.4
Ennore	13.0	82.4	16.0	72.3	3.0
Vishakapatnam	57.5	98.1	61.1	105.7	3.6
Paradip	56.9	67.7	64.1	66.2	7.2
Kolkata	57.3	96.1	61.4	93.3	4.1
All major ports	506.0	91.7	567.0	91.6	61.0

Source: CRISIL Research

Most of the Major Ports along the West Coast of India have been operating at more than 100% capacity utilization. Further, around 56% of the country's container traffic is routed through JNPT / Mumbai ports. At JNPT, the container terminals are working well above their planned capacity despite problems such as bad approach roads, congestion at terminals and reduction in the available draft due to siltation. Further, many shipping lines are prepared to start new services from JNPT, but are unable to get a window for berthing. JNPT was and continues to remain the only port in the public sector, which was exclusively developed to cater to burgeoning container traffic on a dedicated basis having facilitative Customs and port procedures, equipment, connectivity to hinterland, EDI and many other trade friendly measures. Such trade facilitative measures have not been implemented with such vigour at other Indian ports, contributing to the increasing concentration of container traffic on the West coast.

Source: Working Group Report on Shipping and Inland Water Transport, 11th 5 year plan

The pressure on the major ports is an opportunity for the non major ports along the West Coast of India, for the container traffic bound for or originating from the hinterland of India.

Operating Performance of Indian Ports

The Major Ports in India are characterized by qualitative inadequacies. Outdated layout of berths, outmoded cargo handling equipment, insufficient maintenance and inadequate operational draft rendered Indian ports operationally unsuitable for modern cargo handling and also for handling the bigger size modern vessels. Limited space availability within the ports impacted the logistics chain as road transport capacity was insufficient due to poor linkages and railways lacked the necessary equipment and structure to ensure a steady flow of container traffic and concentrated on mainly bulk transport instead. Also, time taken to obtain government clearances and general regulations affecting the port industry has delayed projects and added to costs of development or upgradation of ports.

In terms of most performance indicators, Indian ports lag behind their foreign counterparts. According to Ministry of Shipping, Road Transport and Highways, the average ship turn around time ("ASTA") in India used to be exceptionally high 11.9 days in the fiscal year 1985, and despite having progressively declined, stood at approximately 4.1 days in the May 2008. Inefficiency of Indian ports resulted in higher through-port and sea transport costs, making cargo shipped from Indian ports cost inefficient and non-competitive in international markets. Coupled with this, the long waiting time discouraged large cost efficient vessels and ship liners from touching the Indian ports. Consequently, Indian container cargo had to be trans-shipped in Colombo, Dubai or Singapore, resulting in additional costs and transit times. Congestion in major ports especially in the West coast, provides a great opportunity for the growth of non-major ports in Gujarat with state of art equipments and draft to attract traffic towards them

The following table provides the key operating performance indicators for Major Ports:

Major Port	Average Pre-berthing Time* (hours)		Average Total Turnaround Time (days)	
	May-07	May-08	May-07	May-08
Kandla	5.76	30.48	3.66	5.06
Mumbai	4.78	7.38	3.93	5.62
JNPT	5.76	14.64	1.52	2.02
Mormugao	28.43	9.22	4.51	4.87
New Mangalore	0.96	0	3.33	3.16
Cochin	0	0	1.83	1.8
Tuticorin	1.2	2.64	2.77	3.4
Chennai	1	0.91	3.2	3.92
Ennore	0.46	0	1.96	1.94
Vizag	11.89	3.17	3.91	4.74
Paradip	1.97	1.11	3.54	8.92
Haldia	15.8	22.31	4.31	4.13
Kolkata	0	0	4.26	4.19

Source: Ministry of Shipping ,Road Transport and Highways ** Under Port Account*

Ports in Gujarat

Overview

Gujarat has India's longest coastline of 1,600 Km and is the maritime gateway to Middle East, Africa and Europe. Gujarat has 41 ports which includes one Major Port and 40 Non-Major Ports**.** The following map shows the main ports in Gujarat:

Source: Industrial Extension Bureau, Government of Gujarat

Capacity Scenarios

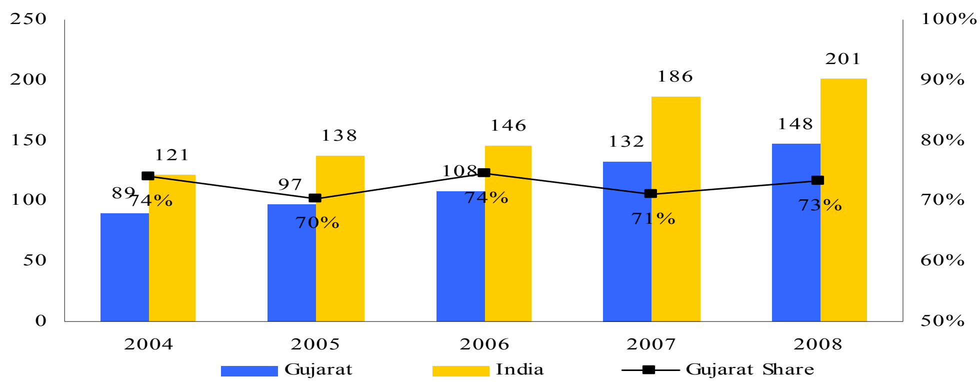
The total port capacity of Gujarat has grown from 135 MMT from 2001-02 to 198 MMT in 2007-08.

By 2011-12, the total throughput for India is estimated to be around 877 million tonnes. At the same time, ports in Gujarat will handle 244 million tonnes taking its share to 28% of India's total throughput. The western region ports in Maharashtra and Gujarat serve northern hinterland market. 38% of the general cargo and 42% of the container throughput of Mumbai ports is from the northern hinterland. Also 30% of the cargo throughput of the Gujarat ports is for the northern hinterland. Adding up the above, the present share of Gujarat ports of the cargo generated from the northern hinterland is around 30%. This is expected to increase to 100% by 2015.
Source: Gujarat Infrastructure Development Board

Traffic growth at Non-Major ports in Gujarat

Traffic at Non-Major Ports in Gujarat has grown at a CAGR of 13.35% since 2004 and Gujarat has been able to maintain a consistent market share of around 20% of the growing traffic handled at Indian ports during the same period. Gujarat has also been able to maintain a market share of around 70% of the traffic at all Non-Major Ports in India.
Source: Gujarat Maritime Board

(In Million tonnes)

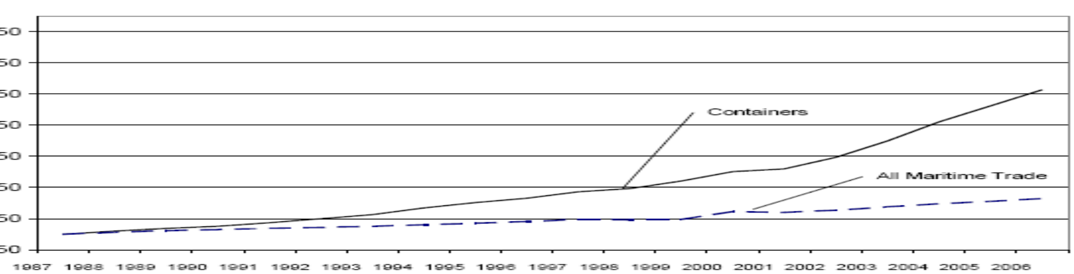


Source: Gujarat Maritime Board and Indian Infrastructure, Volume 11

Industry Trends

Trend of Increased Containerization

Major global ports have increasingly had to adapt to a dramatic increase in containerized cargo trade. During the 1980s, much of the cargo that previously travelled in loose form was converted to containers and the ports developed infrastructure, and acquired handling equipment to cater for the increasing number (and growing size) of container vessels. International container trade has continued to increase at a rate far exceeding that of maritime trade - total international maritime trade volumes grew at an average of 4.1% per annum over the period, with the result that by 2006 total seaborne trade was at almost double 1990 volumes. Containerized cargoes by contrast have grown at an annual average rate of 9.5% over that same period, resulting in a five-fold increase in container movements. The worldwide growth in maritime and container trade volumes from 1987 through to 2006 is illustrated below.



Source: UNESCAP, Regional Shipping and Port Development, Container Traffic Forecast, 2007 Update, (Index 1987=100)

Containerization in India, in keeping with the international trends, has also grown as a multiple of GDP as shown in the table below.

Year	Annual GDP Growth Rate	Annual Container Traffic Growth Rate	Times
1999	6.5%	2.5%	0.38
2000	6.1%	13.1%	2.15
2001	4.4%	13.2%	3.00
2002	5.8%	16.9%	2.93

Year	Annual GDP Growth Rate	Annual Container Traffic Growth Rate	Times
2003	3.8%	16.7%	4.38
2004	8.5%	17.6%	2.07
2005	7.5%	13.7%	1.82
2006	9.4%	10.5%	1.12
2007	9.6%	15.0%	1.56
2008	9.0%	30.5%	3.38

Source: Ministry of Finance and Ministry of Shipping, Road Transport and Highways

Container traffic for the fiscal years 2006, 2007 and 2008 has grown by 10.5%, 15% and 30.5%, respectively, on a year on year basis. With the Indian economy expected to grow by a minimum of 7%, containerization is expected to be atleast double the GDP growth.

Dominance of Global Players in the World Container Throughput

Global terminal operators handle around 60% of the total containers handled globally. They have increased their market share through better performance and the acquisition of additional concessions. Hutchinson, APM Terminals and PSA International are the top three terminal operators who have handled more than 50 million TEU's.

(In Million TEU's)

Operator	**2007**	**2006**
Hutchison	66.30	59.30
APM Terminals	60.80	52.00
PSA International	58.85	51.29
DP World	43.30	42.00
Cosco Pacific	39.80	32.55
Eurogate	13.88	12.55
SSA Marine	12.50	11.90
Total	295.43	261.59
World Total	488.50	442.40
% Share of World Throughput	**60.48%**	**59.13%**

Source: Dynamar B.V. – Carrier, Port and Terminal Operator Rankings – 19 May 2008

In India major terminal operators such as APM Terminals, PSA International and DP World are already operating terminals.

Emergence of large sized ships and requirement of deeper draughts at ports

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

Growth in intermodal logistics and improved infrastructure

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

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

Consolidation to capture value chain and the addition of value-added services

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

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

Increased privatization, regulatory reforms and other institutional dynamics

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

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

In addition, since September 11, 2001, there has been increasing concern over port security and safety. This has led to new stringent international laws and safety codes for cargo, personnel and port infrastructure. All ports have to be compliant with the International Ship and Port Facility Security Code ("ISPS") that came into effect in July 2004.

Reforms in the Indian Port Industry

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

Proposed National Maritime Policy

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

- Promoting hinterland connectivity to ensure least-distance access of the country's cargo to the ports and also offer choice of ports in the region and terminals inside the ports to trade.

- Providing for institutional safeguards for the port infrastructure provider (public authorities/private sector – be it domestic or foreign/joint ventures) regarding investments and ensuring compliance of service standards to the users.

- Promoting multimodal transport in the interest of time and cost efficiency.

- Facilitating the acquisition of Indian tonnage for securing a significant share for India in terms of global tonnage and for increasing the share of Indian ships in the carriage of the country's overseas traffic through cargo support to Indian flag vessels.

- Promoting and strengthening shipbuilding, ship-repair and ship-breaking activities. Providing the necessary infrastructure for turning out qualified Indian maritime personnel of globally acknowledged excellence to benefit from the growing demand of both foreign and Indian flag vessels for such human capital.

- Developing and integrating inland waterways to the national transport network comprising of maritime outlets as well as other points of interface with other surface transport modes.

- Building appropriate institutions to support training, research and development and other activities necessary to serve and sustain the shipping and port sectors.

- Assuring the state of the art navigational aids on the country's coastline with a view to encourage increased flow of coastal and overseas maritime traffic at Indian ports.

National Maritime Development Programme

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

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

- Measures to strengthen the regulatory structures of Major Ports have also been initiated. These pertain to tariff rationalization and the establishment in a phased manner, of a corporate structure for the existing ports. The Government of India has privatized some of the berths in Major Ports specifically to handle containers such as the following:

Port	**Company**	**Container Terminal Operator**
Major Ports		
Jawaharlal Nehru Port (JNPT)	DP World Nhava Sheva	DP World, UAE
Jawaharlal Nehru Port (JNPT)	Gateway Terminals International Private Limited	APM Terminals / Concor
Chennai Port Trust	The Chennai Container Terminal Limited	DP World, UAE
Tuticorin Port Trust	PSA- SICAL Terminals Limited	PSA International, Singapore
Vizag Port Trust	Visakha Container Terminal Private Limited	DP World, UAE
Kochi Port Trust	India Gateway Terminal Private Limited	DP World, UAE
Non-Major Ports (both in Gujarat)		
Pipavav Port	Gujarat Pipavav Port Limited	APM Terminals, Mauritius
Mundra Port	Mundra International Container Terminal	DP World, UAE

Source: Port Websites

- The Tariff Authority for Major Ports (the "TAMP"), an independent authority, is now responsible for determining and revising tariffs on Major Ports only and not on Non-Major Ports. The TAMP was constituted in April 1997 to provide for an independent authority to regulate all tariffs, both vessel related and cargo related, and rates for lease of properties in respect of Major Port Trusts and the private operators located therein.

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

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

- foreign investment of 100% is permitted for construction and maintenance of ports and harbours and in projects providing support services to water transport;
- foreign direct investment of up to 100% is allowed on automatic basis in support services such as operation and maintenance of piers and loading and discharging of vessels; and
- private sector entities are allowed to establish captive facilities.

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

Development of Transportation Infrastructure

Indian Railways

Public Private Partnership ("PPP")

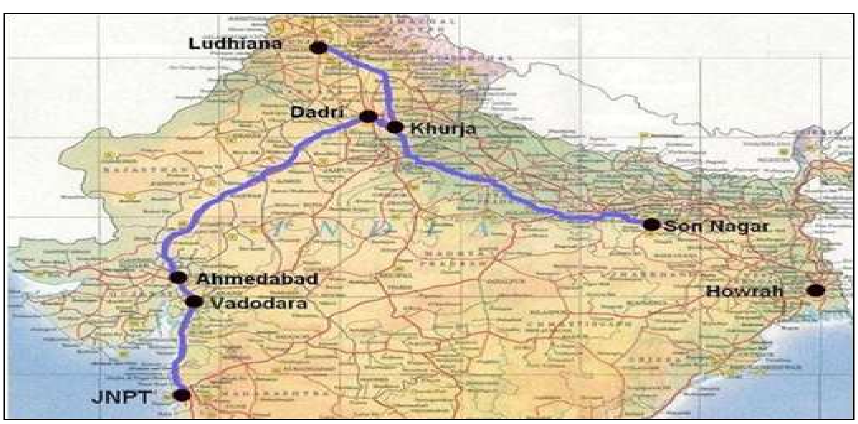
The Government of India has conceived an investment plan for the rail sector to eliminate capacity bottlenecks on the four metropolitan cities of Delhi, Mumbai, Chennai and Howrah, commonly known as the golden quadrilateral to provide strategic rail communication links to ports, construction of mega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

Some of the recent initiatives undertaken by RVNL are:
- Private parties to run container trains
- Wagon investment scheme
- Development of rail-side warehouses and logistic parks
- Strengthening rail – port connectivity
- Development of dedicated freight corridors ("DFCs")

Source: Railway Vikas Nigam Limited and IDFC India Infrastructure Report, 2008

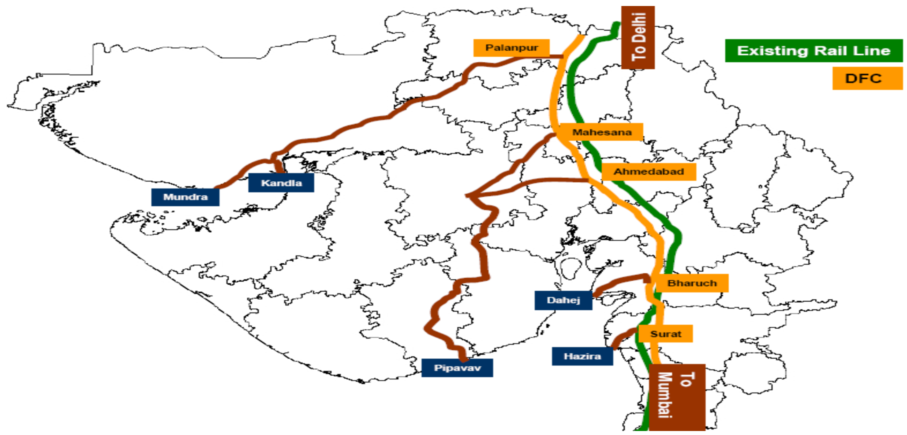
Dedicated Freight Corridor Project

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



Source: Dedicated Freight Corridor Corporation of India Limited

Connectivity between Pipavav Port and DFCs



Port Pipavav is connected to the DFC through the broad gauge line between Pipavav port and Surendranagar district. The DFC passes through Surendranagar and Ahmedabad. Mahesana serves as an exchange junction between the DFC and Port Pipavav.
Source: Industrial Extension Bureau, Government of Gujarat

Logistics Parks

The Indian Railways proposes to develop logistic parks along major stations in the country through PPP projects. Major stations in metro cities are like Delhi, Mumbai, Kolkata, Chennai, and Howrah, are likely to have such parks along the railway stations. Through this, the railways is planning to offer its land to the private sector for setting up facilities such as banks, repair facilities for trucks, godowns and custom facilities. In non-metro cities, which are the hub of freight business, the railways is planning to set up about 20 logistics parks over the next few years, requiring an investment of about Rs 100 billion. The logistics parks are proposed to be situated along the route of the dedicated freight corridor. These parks are modelled along the lines of the Chinese logistics parks; each of these will be expected to be built on about 600 hectares of land and will include a multimodal transport system, along with warehousing, packing and cold storage facilities, and business centres. The railways will provide surplus land to build the parks and expect the rest of the investment to come from the private players.
Source: IDFC India Infrastructure Report 2008

Double Stack Container Trains ("DSC")

Double stack trains are an unique concept introduced on the Indian Railways. The first double stack train on the Indian Railways was commissioned on March 23, 2006 between Jaipur and Pipavav.

The main advantages of DSCs are:
- Number of trains will reduce for the same throughput;
- The payload capacity of the container train has been increased;
- The terminal congestion can be minimized and dwell time of containers at terminals and ports can be reduced;
- Matching of throughput for larger ships can be fulfilled in lesser time;
- Cost of unit transportation will reduce;
- Rolling stock requirement of locos and rail flats will reduce substantially and the rail share will increase with the same rolling stock;
- Will encourage direct service of bigger ships to Indian ports; and
- Reduction in overall transit time of containers.

Source: Pipavav Rail Corporation Limited

Private Container Trains

Almost sixteen months after the Indian Railways decided to privatize container transportation, ending the monopoly of state-owned Container Corporation of India ("Concor"), private players have slowly begun to roll out their services. Presently there are 15 private players who have acquired licences to run rail services. But, 'high user charge' by Concor, 'poor supply of rakes' and 'lack of infrastructure' such as container freight stations (CFSs) and inland container depots (ICDs), where cargo consolidation and deconsolidation take place, have upset the private sector applecart. Besides, railway lines in India are running at a super-saturation level of 115%. The routes that connect the four metros have even higher levels of 150%. Key bottlenecks are the shortage of wheels and axle. Gateway Distriparks, Hind Terminals, and India Infrastructure Logistics—a JV between Singapore based NOL and Hindustan Infrastructure Projects and Engineering have already started their services.
Source: IDFC India Infrastructure Report 2008

Roads

National Highways Authority of India, as part of its National Highways Development Programme, has taken up the project of connecting the 10 Major Ports - Haldia, Paradip, Visakhapatnam, Chennai, Tuticorin, Kochi, Mangalore, Mormugao, JNPT and Kandla. Out of the total 380 km of four-lane highways envisaged for port connectivity to the 10 Major Ports, only 179 km was completed as of July 31, 2008, implying a completion rate of around 50%.
Source: *NHAI Website, www.nhai.org , accessed on September 25, 2008*

OUR BUSINESS

Overview

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

We are promoted by APM Terminals, which is one of the largest container terminal operator in the world, and are part of the APMM Group, which is ranked 138th among the top 500 corporations in the world by revenue in 2008, according to the Fortune Global 500. APM Terminals operates 50 terminals across 31 countries, employs 19,000 people and handled 31.4 million TEUs in calendar year 2007. APMM Group is one of the largest container ship operators in the world. APMM Group also has significant experience in development of ports and terminals, container and related activities, oil and gas activities, tankers, offshore and other shipping and logistics activities.

We commissioned the first jetty and commenced cargo handling operations at Port Pipavav in November 1996. We commenced container handling activities in April 1998 and obtained the exclusive right to develop and operate Port Pipavav and related facilities under the Concession Agreement on September 30, 1998. We commenced comprehensive commercial port operations in April 2002. APMM Group acquired a 13.5% equity interest in our Company in June 2001. Since acquisition of management control by APMM Group in April 2005, we have been executing an expansion plan to create facilities to handle approximately 1.27 million TEUs of container cargo as well as approximately three million tonnes of bulk cargo per year. The APMM Group currently owns its 54.8% equity interest through APM Terminals. For details, see “History and Certain Corporate Matters” beginning on page 86 of this Draft Red Herring Prospectus.

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

Port Pipavav currently accepts vessels with up to 12.5 metre draught at chart datum and deploys three tugs for providing pilotage and towage services. We have four dry cargo berths with a total length of 1,075 metres and an LPG berth with a service deck of 65 metres and the length between the extreme mooring dolphins is 308 metres. The 4,550 metre channel length at the Port allows day and night marine operations throughout the year. Between April 1, 2002 and March 31, 2008, Port Pipavav handled 11.49 million tonnes of bulk cargo, 0.10 million tonnes of LPG cargo and 0.56 million TEUs of container cargo.

We have also created extensive support infrastructure to handle container, bulk and LPG cargo, such as container yards, yard handling equipment, a Mannesmann Gottwald harbour crane, BM Titan cranes, quay cranes, rubber tired gantry cranes, paved rail sidings, warehouses, open stackyards and a port users’ building to accommodate the offices of custom house agents, stevedores’ agents and shipping lines. We entered into a shareholders’ agreement with the Ministry of Railways dated March 28, 2001, to set up PRCL for undertaking the construction, operation and maintenance of a dedicated broad gauge railway link between Surendranagar and Port Pipavav. We presently own a 38.8% equity interest in PRCL.

Port Pipavav is strategically located near the entrance of the Gulf of Khambhat (formerly known as the Gulf of Cambay) on the main maritime trade routes, which helps us to serve imports from and exports to the Middle East, Asia, Africa, the United States, Europe and other international destinations. A wide range of customers use our port facilities. Our key customers in container cargo include shipping lines such as Maersk Line, Safmarine Container Lines, United Arab Shipping Company, Hyundai Merchant Marine, Regional Container Lines and Mitsui OSK Line and domestic container cargo customers such as Jindal Waterways. We also handle a variety of bulk and break bulk cargo such as coal, cement, clinker, fertilizers, steel, iron ore, agricultural products, salt and soda ash. Our key customers in bulk and break bulk cargo are Indian Farmers Fertiliser Cooperative Limited, Ultratech Cement Limited, Essar Logistics Limited and GHCL Limited. Shell Gas (LPG) India Private Limited is our sole customer in LPG cargo operations. We also provide marine services to Ultratech Cement Limited’s captive jetty.

Our operating revenue for the years ended December 31, 2006 and December 31, 2007 was Rs. 1,349.63 million and Rs. 1,516.04 million, respectively. Our operating revenue for the three month period ended March 31, 2008 was Rs. 391.82 million. The container cargo and bulk cargo services accounted for 62.3% and 32.6%, respectively of our operating income for the three month period ended March 31, 2008.

Our History

We were incorporated on August 5, 1992 to build, construct, operate and maintain the port at Pipavav, District Amreli, in the state of Gujarat, India. We were initially promoted as a joint venture between GMB and Seaking Engineers Limited (now SKIL Infrastructure Limited). In June, 1998, GMB divested its stake in favour of SKIL Infrastructure Limited. Pursuant to the share sale and purchase agreement dated March 30, 2005, SKIL Infrastructure Limited, Nikhil Gandhi, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited divested their shareholding in our Company in favour of APM Terminals, the Industrialization Fund for Developing Countries and India Development Fund I. For further details, see "History and Certain Corporate Matters – Material Agreements" on page 88 of this Draft Red Herring Prospectus. Presently, APM Terminals, part of the APMM Group, owns a 54.8% equity interest in us.

Concession Agreement with GMB and GoG

We entered into a Concession Agreement with GMB and GoG on September 30, 1998, pursuant to which we have been granted the right to develop and operate Port Pipavav for a period of 30 years. After APM Terminals became our largest shareholder, a supplemental concession agreement was signed on June 2, 2006 to reflect the change in ownership of our Company. The Concession Agreement requires us to pay GMB a royalty calculated based on the tonnage of cargo handled at the leased land and waterfront. The royalty fees will increase by 20.0% every three years. For fiscal 2006, 2007 and the three months ended March 31, 2008, we paid royalties of Rs. 22.40 million, Rs. 23.24 million and Rs. 6.54 million, respectively. For further details, see "History and Certain Corporate Matters – Concession Agreement with GMB and the GOG" beginning on page 89 of this Draft Red Herring Prospectus.

Competitive Strengths

Growth of trade from the landlocked north and northwest regions of India

We are in strategic position to serve the landlocked north and northwestern region of India, which has experienced significant manufacturing growth. This region currently generates 30.0% of the container throughput from India. Port Pipavav is located in close proximity to the markets of the landlocked north and northwest regions of India and has good transportation connectivity. We believe that the general economic growth in this region as well as the growth in demand for cargo services (in particular containerized cargo), provide a strong and growing market for our services.

We enjoy natural and location advantages

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

The wave height in the harbour does not generally exceed 0.5 metres at the berth, and the water currents are between two and a half and three knots during peak tidal condition. These favourable oceanographic conditions enable day and night navigation of ships throughout the year. Port Pipavav currently has a vessel acceptance draught of 12.5 metres, with outer channel depth of 12.5 metres and turning basin depth of 11.5 metres at chart datum. Our bulk and container jetties have a depth of 13.5 metres and our LPG jetty has a depth of 15.5 metres at chart datum. Port Pipavav has handled bulk vessels carrying approximately 78,000 MTs of bulk cargo and container vessels of 6,200 TEUs capacity. We have issued a letter of intent to Boskalis International bv, Netherlands, and the contract is planned to be awarded to Zinkcon Marine (Singapore) Pte Ltd, a subsidiary of Royal Boskalis Westminster for undertaking capital dredging to achieve an acceptance draught of 14.5 metres, with outer channel depth of 14.5 metres and turning basin depth of 13.5 metres at chart datum. Upon completion of proposed dredging, all jetty basins at the Port are expected to have a depth of 16.0 metres at chart datum.

Some of the locational advantages available to us are:

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

- Proximity to the major agriculture-based product export markets of the Saurashtra region.

- Due to its proximity to the busy cargo ports in Mumbai, we believe that Port Pipavav often acts as an a favoured, or second, port of call for shipping lines.

- The Port layout allows for expansion by way of deepening of channel and port area by dredging and construction of additional jetties.

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

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

We are also part of the APMM Group, which had revenues of US$ 51.2 billion for the year ended December 31, 2007. We receive benefits such as developing business with shipping lines and assistance in developing relationships with third parties in the shipping industry from APMM Group. For the years ended December 31, 2006 and December 31, 2007 and the three month period ended March 31, 2008, the APMM Group accounted for approximately 36.8%, 34.2% and 31.3% of our revenue, respectively. Maersk Line and Safmarine Container Lines, part of the APMM Group, are also among our largest customers and operate regular cargo shipping service from our Port to international destinations, including the Middle East, Europe and the United States.

We have a well-developed port infrastructure

Port Pipavav has a well-developed port infrastructure. The 4,550 metre channel length at the Port enables day and night marine operations throughout the year due to favourable oceanographic conditions. We have four dry cargo berths with a total length of 1,075 metres. These berths are utilised for handling containers, bulk, break bulk, general and project cargo. The LPG cargo berth is currently being remodelled and relocated to allow access to off-shore supply vessels and ensure better berth availability and improved berth utilization. The LPG berth is expected to be re-operational by November 30, 2008.

We have deployed one mobile-harbour Mannesmann Gottwald harbour crane and two rail mounted ELL cranes for the efficient handling of bulk and break bulk cargo. The ELL cranes are equipped with a built in hopper and a cross conveyor with a rated handling capacity of 1,000 MTs per hour per crane. The ELL cranes are also supported by a 1,200 metre conveyor system, which connects the dry cargo berths to the coal storage areas. The rated handling capacity of this conveyor system is 2,000 metric tonnes per hour. We have also installed weighbridges to support the bulk cargo operations, including an in-motion weighbridge on rails.

Our container yard is equipped with 18 RTGs, including 10 eco-friendly RTGs, which are expected to achieve fuel savings of up to 45.0% as compared to regular RTGs. We have also developed infrastructure for reefer services which include supply of electricity and monitoring of reefer containers. The coal yard at Port Pipavav has a state-of-the-art dust suppression system and it is fed directly from the bulk-handling berths through a conveyor system.

The container berth is equipped with six quay cranes to handle ship-to-shore operations. Three of these quay cranes are post-panamax cranes which have an outreach of 18 containers across on a ship, total lift of 58 metres, which is 40 metre above crane rail, and a capacity of 61 tonnes under the spreader with twin-lift capability of handling two twenty-foot containers simultaneously. The three panamax cranes have a SWL of 40 tonnes and an outreach of 13 containers across on a ship. We have deployed reach stackers for operations to be carried out at the dedicated container rail siding.

We have access to land and extensive support infrastructure

We have the right to develop approximately 1,561 acres of land around Port Pipavav. We have developed approximately 388 acres and plan to utilize the balance undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. The Port has extensive shore-based area to allow development of back-up infrastructure and allied industries. We believe that our available land will help us expand the market for our port services and provide sufficient resources for future expansion. In addition, we earn rental revenue from the user license agreements entered into with various third parties, including those interested in establishing facilities that utilize our Port, its infrastructure and related services. We have also developed extensive support infrastructure to handle container, bulk and LPG cargo in the form of container yards, yard handling equipment, quay cranes, fully paved rail sidings, warehouses, open stackyards and a port users' building to accommodate the offices of custom house agents, stevedores' agents and shipping lines.

We have good rail and road connectivity

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

Port Pipavav is connected to the Indian Railways network through an approximately 269 kilometre-long dedicated broad gauge railway link maintained by PRCL, which is 38.8% owned by us. India's first double stack container rake, with a capacity of 180 TEUs, was operated between Port Pipavav and Inland Container Depot at Kanakpura (Jaipur) in March 2006. The double stack container train lowers rail freight costs for our customers and ensures faster evacuation of containers from the Port. Indian Railways plans to extend the double stake container rake service further up to the North Indian Inland Container Depots, which will further reduce transportation time for cargo coming to or leaving Port Pipavav. Our Port also has a road link to National Highway-8E for transporting cargo to and from the Port.

We have an experienced management team

We are led by experienced and highly qualified professionals and also benefit from access to the APM Terminal's experienced personnel resources . We have also been able to successfully attract and retain senior managerial and technical executives. Our management team has an established track record and knowledge in the port and shipping industry. Since taking over management control in April 2005, our present management has demonstrated the ability to manage significant expansion plans and operations. We believe that our management's expertise in successful implementation of projects provides us with significant competitive advantages. See "Our Management" beginning on page 94 of this Draft Red Herring Prospectus.

Our tariffs are not determined by any regulatory authority and this gives us operational flexibility

We are not covered within the regulatory purview of the Tariff Authority of Major Ports, and are entitled to determine the tariffs at the Port, subject to the provisions of the Indian Ports Act, 1908, as amended. Our ability to determine tariff rates helps us to compete effectively.

Our Strategy

We intend to capitalise on our strategic location and our developed port infrastructure to develop into a world class port operator in India. In order to grow our business volume and to strengthen our market position in India, we have in place the following strategies:

Develop into a leading port in India

We plan to continue to expand our services and to attract investment from other port-based industries in order to further develop Port Pipavav into a total service provider and a leading port in India. We have issued a letter of intent to Boskalis International bv, Netherlands, and the contract is planned to be awarded to Zinkcon Marine (Singapore) Pte Ltd, a subsidiary of Royal Boskalis Westminster for undertaking capital dredging to achieve an acceptance draught of 14.5 metres, which will allow large vessels to call at our Port. The LPG berth is currently being remodelled and relocated to allow access to off-shore supply vessels and ensure better berth availability and improved berth utilization. The LPG berth is expected to be re-operational by November 30, 2008. We have presently undertaken construction of an additional container yard to support a container cargo volume of 600,000 TEUs per year, expected to be completed by December 31, 2008. We intend to construct container yards for supporting container cargo volume of additional 670,000 TEUs by December 31, 2009 and improve road transportation network within our Port premises. We have also placed orders for purchasing two post-panamax quay cranes with twin lift capability and six eco-friendly RTGs and we expect to receive delivery for these by February 2009. For details, see " - Our Expansion Plans". We have also entered into two non-binding memoranda of understanding with Videocon Industries Limited and a major thermal power producing company for providing port services relating to import of coal. For details, see " – Our Expansion Plans".

We will also continue to benefit from the global relationships and marketing strategies of the APM Terminals for developing state-of-the-art marine and civil infrastructure at Port Pipavav for attracting increased container volumes.

Develop land to aid the growth of our Port operations

We intend to develop and sub-lease portions of available land at Port Pipavav, which we believe will be a source of operating revenue and drive future growth at our Port. We have the right to develop approximately 1,561 acres of land around Port Pipavav. We have developed approximately 388 acres and plan to utilize the balance undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. This may involve development of additional bulk cargo berths and container berths.

In order to utilise available waterfront and land area, we also intend to sub-lease land to third parties, including those interested in establishing facilities that utilize our Port, its infrastructure and related services. We are also negotiating a sub-concession agreement with Pipavav Shipyard Limited and continue to evaluate other proposals by third parties for utilising the land reserves available to us.

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

We will continue to strive to improve the operating efficiency and capacity of our existing facilities by continuing to invest in technologically advanced handling equipment and improving the efficiency of our loading, unloading and stacking operations and marine services. We believe that growth in our cargo handling operations will also contribute to an increase in rail traffic handled by PRCL. In order to increase our operating efficiency and competitiveness, we may consider outsourcing certain port handling operations to other port services providers, including affiliates.

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

Increase bulk cargo volumes and enter strategic arrangements for use of port facilities

We intend to set up a dedicated coal terminal and have entered into memoranda of understanding with two companies wherein such companies will use our port facilities for transporting coal for their power plants. We plan to pursue long-term strategic arrangements for the use of Port Pipavav. We believe that strategic relationships through long-term contractual agreements will enhance our business prospects by bringing stable and increased cargo traffic in the future while our continued use of short-term contracts will allow us to capitalise on market spot rates and take advantage of high growth markets.

Port Location

Port Pipavav is one of the principal gateways on the west coast of India and is located in the Saurashtra region of the state of Gujarat. Port Pipavav is approximately 140 kilometres southwest of Bhavnagar and

153 nautical miles from Mumbai Ports. Port Pipavav is located approximately 90 kilometres away from the Diu airport, which is the nearest airport.

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

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

Port Pipavav is strategically located to service the landlocked populations of north and north-western India, including Delhi, which has experienced significant manufacturing growth. In addition, our location near the entrance of the Gulf of Khambhat on the main maritime trade routes helps us to serve imports from and exports to the Middle East, Asia, Africa and other international destinations. Port Pipavav is located at a distance of approximately 153 nautical miles from Mumbai Ports and due to its proximity to the main cargo ports in Mumbai, we believe that Port Pipavav often acts as an additional port of call for shipping lines.

Our Operations

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

The following table shows our revenue for the years ended March 31, 2005, December 31, 2005, 2006 and 2007 and for the three month period ended March 31, 2008:

	For the year ended March 31, 2005		For the nine month period ended December 31, 2005		For the year ended December 31, 2006		For the year ended December 31, 2007		For the three month period ended March 31, 2008	
	(in Rs. Million)	*%*	*(in Rs. Million)*	*%*	*(in Rs. Million)*	*%*	*(in Rs. Million)*	*%*	*(in Rs. Million)*	*%*
Container cargo	296.40	38.9	266.41	39.4	667.93	49.5	899.63	59.3	244.22	62.3
Bulk cargo	379.14	49.8	352.21	52.1	594.31	44.1	543.96	35.8	127.51	32.6
LPG cargo[(1)]	7.97	1.0	7.61	1.1	8.44	0.6	2.23	0.2	-	-
Land related revenue	17.23	2.2	10.92	1.6	17.57	1.3	20.49	1.4	6.25	1.6
Ultratech jetty[(2)]	61.35	8.1	39.08	5.8	61.38	4.5	49.73	3.3	13.84	3.5
Total Operating Revenue	**762.09**	**100.0**	**676.23**	**100.0**	**1,349.63**	**100.0**	**1,516.04**	**100.0**	**391.82**	**100.0**

(1) The LPG cargo jetty is currently being relocated and therefore no revenue has been derived from LPG cargo operations since July 2007. We expect the LPG cargo jetty to be re-operational by November 30, 2008.

(2) This jetty is for captive use by Ultratech Cement Limited and we derive revenue from port dues and pilotage charges.

The following table shows our cargo handling volume for container, bulk and LPG cargo for the year ended March 31, 2005, the nine months ended December 31, 2005, the year ended December 31, 2006 and 2007 and the three month period ended March 31, 2008:

	For the year ended March 31, 2005	For the nine month period ended December 31, 2005	For the year ended December 31, 2006	For the year ended December 31, 2007	For the three month period ended March 31, 2008
Container cargo *(TEUs)*	68,885	62,488	135,167	192,015	57,758
Bulk cargo *(million MTs)*	1.99	1.68	2.15	1.66	0.35
LPG cargo[(1)] *('000 MTs)*	20.5	17.8	19.2	6.8	-

(1) The LPG cargo jetty is currently being relocated and therefore no revenue has been derived from LPG cargo operations since July 2007. We expect the LPG cargo jetty to be re-operational by November 30, 2008.

Container Cargo Operations

We provide container services including the loading, unloading and storage of containers from Port Pipavav. A number of major container shipping lines with service within Asia and to the Middle East, Africa, Europe and the North America call at our Port.

We have two dedicated jetties and one multi-purpose jetty for container cargo operations. The existing container berth facilities are designed to handle berthing of large container vessels with capacities of up to 6,200 TEUs. We have set up a container stackyard of 108,100 square metres, which is equipped with 1,708 twenty-foot ground slots and 140 forty-foot powered ground slots for reefer container storage. The average berth occupancy at our terminal was 42.0% and 37.0% for the year ended December 31, 2007 and for the three month period ended March 31, 2008, respectively, and the average vessel turnaround time was approximately 10.26 hours. Our container cargo handling volume for the years ended March 31, 2005, December 31, 2005, 2006 and 2007 and the three month period March 31, 2008 was 68,885 TEUs, 62,488 TEUs, 135,167 TEUs, 192,015 TEUs and 57,758 TEUs, respectively. Our revenue from container cargo was Rs. 899.63 million and Rs. 244.22 million for the year ended December 31, 2007 and for the three month period ended March 31, 2008, respectively, or 59.3% and 62.3% of our revenue from operations, respectively. Our Port provides railway transportation for approximately 35.0% to 40.0% of container cargo going through the Port.

The optimal utilization for a container terminal is determined by factors including docking and undocking of container ships, flow of shipping traffic and capacities of container stacking and warehousing facilities in the port. We believe that with improvements in the operational efficiency of our container handling operations, we will be able to increase throughput despite maintaining an optimal utilization rate. Port Pipavav can accommodate container vessels of 6,200 TEUs capacity and currently can handle approximately 470,000 TEUs of container cargo per year.

Our berth at the container terminal has three panamax and three post-panamax rail-mounted quay cranes. These post-panamax cranes have twin lifting capabilities of handling two twenty-foot containers simultaneously. The outreach of these cranes enable them to handle vessels up to 18 containers across on a ship. The container yard is located adjacent to the berth and covers an area of approximately 108,100 square metres. The container yard is equipped with 18 RTG cranes, including 10 eco-friendly RTG cranes. We have also placed orders for purchasing two post-panamax quay cranes with twin lift capability and six eco-friendly RTGs and we expect to receive delivery for these by February 2009.

The rail siding for the container trains is located within the Port premises, and the loading and unloading of container cargo to and from the trains is carried out by reach-stackers. Inter-terminal vehicles are also used for container movement in the yard and between the yard, rail siding and CFS.

Reefer Container handling

Port Pipavav handles approximately 12,500 TEUs of refrigerated cargo annually, mainly comprising seafood processed from fishing harbours in Gujarat.

We also provide value-added services to container lines operating at our Port. We have leased premises to private reefer technicians. These technicians offer repair, maintenance and pre-trip inspection services to our customers.

Container Freight Station Operations

We operate a CFS within the port limits for the consolidation of cargo. We utilise approximately 11,000 square metres of covered warehousing space and an area of paved stackyards for our CFS operations. We provide services such as stuffing and de-stuffing of containers, cargo consolidation, packaging and repackaging and cargo warehousing. Cargoes such as cotton, agricultural products, wood pulp, sesame seeds, ceramic tiles, soda ash, stones and cattle feeds are handled at the CFS. During fiscal 2007, the average CFS volume handled at our Port was approximately 1,500 TEUs per month. In fiscal 2008, the average CFS volume handled was 1,800 TEUs.

Bulk Cargo Operations

The majority of the bulk cargo throughput at Port Pipavav comes from international trade, and in particular, bulk cargo imports into India. Bulk cargo activities include the piloting and berthing of vessels and the loading, unloading and storage of cargo. We have continued to improve our productivity and efficiency in our bulk cargo operations. We continue to invest in equipment to improve our throughput capacity, which allows us to achieve high discharge/load rates for bulk cargo such as coal, fertilizer and iron ore.

The berth occupancy at our bulk terminals was 64.9%, 49.3% and 53.8% for the years ended December 31, 2006 and 2007 and the three month period ended March 31, 2008, respectively. The average ship turnaround time for bulk cargo vessels at our Port is set forth below:

(Number of days)

Type of Cargo	For the year ended December 31, 2006	For the year ended December 31, 2007	For the three month period ended March 31, 2008
Coal	2.5	2.5	4.8
Fertilizer	7.5	10.8	7.6
Soda Ash	4.5	6.9	Not applicable*
Steel	4.0	6.5	Not applicable*
Offshore Supply Vessels	0.5	0.5	0.5
Mini Bulk Carriers**	0.6	0.6	0.6

** Soda ash and steel vessels were not handled in the three month period ended March 31, 2008.*

*** These are small vessels such as offshore vessels and barges, which are used for carrying bulk cargo.*

Berthing and handling

The bulk cargo facilities at Port Pipavav include one dedicated bulk cargo berth and one multi-purpose berth. The two cargo berths are capable of berthing vessels with up to 12.5 metres draught at chart datum. The bulk cargo berths are equipped with mechanised equipment such as a crane-conveyor system for unloading coal. The equipment in the crane-conveyor system comprises two ELL cranes with a handling capacity of 1,000 tonnes per hour each, a mobile hopper attached to each crane for direct discharge into the import conveyors and an import conveyor system which is approximately 1,200 metres long, with a capacity of 2,000 tonnes per hour. The bulk cargo berths have maximum capacity of approximately three million tonnes per year, which may vary depending on the type of cargo handled. In addition, berthing and de-berthing, the flow of traffic at the Port, the capacity of equipment and storage facilities, also affect the utilization of the berths and total cargo throughput. Intra-port transportation for dry bulk cargo from the berth to the storage areas is done by trucks. We provide storage for the dry bulk cargo and load and unload dry bulk cargo on trucks or railcars for transportation to and from Port Pipavav. We also have bagging units in the storage area for bulk dry cargo.

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

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

We receive revenue for our bulk cargo handling services through short-term spot contracts. We also receive fees for storage of bulk cargo. Our revenue from bulk cargo services was Rs. 543.96 million, representing 35.8% of our revenue from operations, for the year ended December 31, 2007 and Rs. 127.51 million, representing 32.6% of our revenue from operations, in the three month period ended March 31, 2008. Our revenue from bulk cargo includes marine services as well as handling, storage and value-added services.

Coal Yard

The coal yard at Port Pipavav is fitted with a state-of-the-art dust suppression system and it has five main lay-down areas with each area capable of holding a parcel size of approximately 60,000 MTs of coal. The coal yard has a perimeter of approximately 2,000 metres. The coal yard has recently been upgraded to meet the environmental standards prescribed by the Pollution Control Board and it is fed directly from the bulk-handling berths via a conveyor system having a rated capacity of 2,000 metric tonnes per hour.

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

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

LPG Cargo Operations

Port Pipavav has a LPG berth with a service deck of 65 metres and the length between the extreme mooring dolphins is 308 metres. Due to the available fire fighting capacity at the LPG berth, the berth can accept an LPG vessel carrying up to 10,000 MTs of cargo. The berthing and de-berthing of LPG vessels is carried out only during daylight hours. For LPG cargo, we provide hose pipe connections to the vessels and intra-port transportation through pipelines from the jetty to the storage tank area. We entered into a user agreement with Shell Gas on October 19, 1996 for utilising the LPG cargo jetty and establishing a tank farm at Port Pipavav for a period of 25 years. Shell Gas has also set up a dedicated LPG import and storage facility. Under the terms of the user agreement, in addition to the port tariff, Shell Gas pays user rent of approximately Rs. 0.49 million per month for the use of port facilities and an additional specified corridor charge for use of the dedicated pipeline connecting the jetty to the storage tank. Our LPG cargo jetty was partly demolished in July 2007 and is currently being remodelled and relocated to allow access to off-shore supply vessels and hence we have not received monthly user rent from Shell Gas since July 2007.

In addition, we entered into an agreement dated July 2, 2007 with Shell Gas for the relocation of our LPG jetty. Pursuant to the terms of such agreement, effective July 1, 2007, we reimburse Shell Gas a monthly sum of approximately Rs. 2.76 million due to additional expenses incurred by Shell Gas on account of alternative arrangements made for import, storage and distribution of LPG cargo. We expect the LPG cargo jetty to be re-operational by November 30, 2008. As of March 31, 2008, we have paid Rs. 24.82 million to Shell Gas.

Marine Facilities

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

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

Cargo Storage Facilities

We provide handling and storage services for bulk cargo and LPG cargo, including piloting and wharfage services, and other related port services.

We have seven warehouses of 600 square metres each and two warehouses of 3,657 square metres and 3,252 square metres, respectively. These warehouses are located behind the dry cargo berths. Six additional warehouses of approximately 6,690 square metres each have been constructed in the warehousing zone, approximately five kilometres from the jetties. CWC operates four warehouses in the warehousing zone. We have leased three of these warehouses from CWC on monthly rental basis. We and Sangraha Private Limited also operate one warehouse each.

We have storage facilities for bulk dry and LPG cargo at the port back-up area which includes open and closed storage areas and liquid storage tanks. The bulk cargo storage area covers approximately 148,500 square metres of open storage areas for coal, which can store approximately 300,000 MTs of coal, and approximately 51,260 square metres of covered or closed warehouses. We also provide reefer container services for storage of perishable goods with provision for electrical supply to maintain the desired temperature. For LPG cargo, the storage tanks are provided for by the port users. At Port Pipavav, Shell Gas has two LPG storage tanks, having a capacity of 1,350 MTs each. These tanks are connected to the LPG cargo berth by pipelines.

Port User Facilities

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

Land and Infrastructure

We have the right to develop approximately 1,561 acres of land around Port Pipavav. We have developed approximately 388 acres and plan to utilize the balance undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. Under the Concession Agreement we can utilise the area for development of port-based commercial activities by us or through various port users. We have already established cargo handling and storage facilities for dry bulk cargo and LPG cargo on a part of this land.

Pursuant to the Concession Agreement, we have the right to sub-lease the port premises to various port users. We generate land-related revenue through one-time charges and ongoing lease charges on the land allotted to the respective port users. We have also entered into long term user agreements with Shell Gas and CWC. We are also negotiating a sub-concession agreement with Pipavav Shipyard Limited for setting up a shipbuilding yard.

Land-related revenue and development activity is strategically important as a source of current and future revenue because the development of future facilities on the leased land by the port users enhances the availability of ancillary facilities for customers of Port Pipavav, thereby spurring growth in port cargo volumes. Our land-related revenue at Port Pipavav was Rs. 20.49 million, representing 1.4% of our revenue from operations, for the year ended December 31, 2007 and Rs. 6.25 million, representing 1.6% of our revenue from operations, in the three month period ended March 31, 2008.

Railway Facilities

Port Pipavav is connected to the Indian Railways network through an approximately 269 km-long dedicated broad gauge railway link. This broad gauge line connects the Port to Surendranagar and can run double stack container trains up to Inland Container Depot at Kanakpura (Jaipur). The current maximum capacity of the rail link is 22 trains per day in each direction. Presently, we are handling two trains per day in each direction. Railway transportation is used primarily by bulk cargo and container cargo customers. Our railway activities include facilitating rail rake movements on the rail link and providing railway haulage services within the port area.

We entered into a shareholders' agreement with the Ministry of Railways dated March 28, 2001, to set up PRCL for undertaking the construction, operation and maintenance of a dedicated broad gauge railway link between Surendranagar and Port Pipavav. We presently own a 38.8% equity interest in PRCL.

For the year ended December 31, 2007 and the three month period ended March 31, 2008, approximately 584,143 MTs of bulk cargo and 75,594 TEUs of container cargo and 86,391 MTs of bulk cargo and 20,442 TEUs of container cargo, respectively, were moved in and out of Port Pipavav through the railways network.

Power Facility

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

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

Our Expansion Plans

We have currently undertaken an expansion plan to achieve an acceptance draught of 14.5 metres, with outer channel depth of 14.5 metres and turning basin depth of 13.5 metres at chart datum. Upon completion of proposed dredging, all jetty basins at the Port are expected to have a depth of 16.0 metres at chart datum.

We have presently undertaken construction of an additional container yard to support a container cargo volume of 600,000 TEUs per year, expected to be completed by December 31, 2008. We intend to construct container yards for supporting container cargo volume of 670,000 TEUs by December 31, 2009.

We have filed a detailed project report supported with relevant studies, reports and drawings with GMB seeking its approval for expansion of Port infrastructure to increase our container handling capacity and accommodate coal imports. As part of our expansion plans, subject to approval from GMB, we intend to construct a 200 metre long jetty for bulk cargo and a 365 metre container berth, which are expected to be completed by the end of 2013.

We commissioned marine studies by the National Institute of Ocean Technology, Chennai, which set forth the technical feasibility of setting up marine infrastructure of an additional length of 1,400 metres, for handling increased cargo volumes and capital dredging for a draught of 14.5 metres.

We entered into two non-binding MoUs with Videocon Industries Limited and a major thermal power producing company on May 29, 2007 and January 16, 2008, respectively, for utilizing our Port facilities for meeting the coal requirements of their proposed thermal power plants, which have an aggregate planned capacity of 5,200 MW. The MoUs are valid for 12 months from the date of execution and can be further extended on mutually acceptable terms. Under the terms of the MoUs, such parties have agreed to use their best efforts to enter into port services agreements with us for utilising Port facilities for importing coal for use at their proposed power plants. The MoUs are not binding agreements, and are subject, in each case, to the execution of definitive port services agreements. We intend to set up a dedicated coal terminal, a coal conveyor belt and a new coal handling system for unloading coal. We also intend to construct two additional raw-water reservoirs, which will store water required for the water curtain in our coal yard. Pursuant to the terms of the MoUs, the annual quantities of coal to be imported by the three companies will be approximately 20.0 million MTs by 2016. In addition, we are also negotiating a MoU with a thermal power producing company for utilizing our port facilities for importing coal for their proposed thermal power project. The proposed power plants are yet to be constructed and we do not have any control on the timing of commencement of their operations.

We are also currently in negotiations with Essar LNG Limited and Swan Mills Limited for setting up LNG re-gassification projects at Port Pipavav. We have not entered into any definitive agreements for setting up these LNG projects and their likelihood, timing, capacity and costs are unknown.

Pursuant to the terms of the Concession Agreement, we are required to obtain GMB's approval for any expansion at our Port which is outside the scope of the approved layout plan or the approved detailed project report. In the event we do not obtain such approval from GMB, we will not be able to undertake our proposed expansion plans or any part of them that fail to receive GMB approval. If we do receive GMB approval, the execution of our expansion plans will still remain subject to our ability to obtain the necessary funding.

In order to increase our operating efficiency and competitiveness, we may also consider outsourcing certain port handling operations to other port services providers, including affiliates.

Safety, Environment, Risk Management and Controls

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

We oversee the implementation and compliance of these safety measures and standards. We had 0.27 loss time incident frequency in the year ended December 31, 2007 per one million man hours worked. Our safety measures and standards include equipment operation procedures for loading and unloading of cargo and containers, dangerous cargo/container handling procedures, fire fighting measures, warehousing procedures, vessel berthing and de-berthing procedures. We have set up a fire station and deployed fire fighting equipment including, mobile fire-fighting units, two water cum foam tenders, ambulances, and an experienced fire-fighting crew, located at Port Pipavav, which carries out periodic safety drills.

We perform conservancy functions at Port Pipavav in accordance with applicable law and good industry practices. We are currently maintaining a mangrove area of approximately 60 acres around Port Pipavav. In addition, as per the Ministry of Environment and Forest's approval, we are required to plant mangroves on 1,236 acres of land by May 2010. In this regard, we have entered into an arrangement for planting mangroves with the Gujarat Ecology Commission, which has planted mangroves on approximately 247 acres of land around Port Pipavav.

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

Our container yard is equipped with 18 RTGs, ten of which are eco-friendly RTGs, and is expected to achieve fuel savings of up to 45.0% as compared to regular RTGs. Since the commissioning of our eco-friendly RTGs in November 2007, we have experienced fuel savings in the range of 30.0% to 42.0%.

Our internal control procedures cover the supervision of our management and operations, procurement of major equipment and machinery, contract formation and execution and financial management. We conduct periodic internal audits to test our compliance with these requirements. In addition, we conduct periodic internal and external audits on physical security at our Port, on customer processes and over our information networks. These periodic audits, include, among other things, checks on our physical inventory, security systems and billing systems.

Tariffs

We are not covered within the regulatory purview of the Tariff Authority of Major Ports, and are entitled to determine the tariffs at the Port, subject to the provisions of the Indian Ports Act, 1908, as amended. We apply vessel marine charges which are always paid by cargo owners and cargo related charges which are paid by either vessel owners or cargo owners. All charges for the services we offer at the Port, with the exception of bulk cargo handling charges, are published by the Port. The bulk cargo handling charges are contractually determined with individual customers. The tariffs at the Port are determined on the basis of prevalent market conditions. Generally, foreign vessel related charges are levied in US dollars and cargo related charges are levied in Indian rupees.

Customers

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

We have a diverse range of customers comprising shipping lines and agents, exporters and importers and other port users. During the three month period ended March 31, 2008, our five largest customers were Maersk Line, Indian Farmers Fertilizers Cooperative Limited, United Arab Shipping Company, Safmarine Container Lines and Cairn India Limited, which together accounted for 52.5% of our revenue from operations.

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

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

Our Investment

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

We also entered into a Traffic Guarantee Agreement dated January 10, 2003 with the Ministry of Railways (acting through Western Railways) and PRCL. Pursuant to the terms of the Traffic Guarantee Agreement, we have guaranteed to provide rail freight traffic of one million tonnes in the first year of operations, two million tonnes in the second year of operations and three million tonnes from the third year of operations onwards ("Minimum Guaranteed Quantity") to PRCL until June 2034. As of March 31, 2008, we were unable to meet the Minimum Guaranteed Quantity and a compensation of Rs. 1,192.95 million was payable to PRCL. We have provided for liability of Rs. 209.12 million, Rs. 275.65 million, Rs. 277.07 million, and Rs. 266.15 million for the years ended March 31, 2005, December 31, 2005, 2006 and 2007, respectively, in our books of accounts. Further to our negotiations with PRCL, we made a payment of Rs. 400.00 million to PRCL in March 2008 under the terms of the Traffic Guarantee Agreement. Pursuant to the terms of the Traffic Guarantee Agreement, Western Railways also guarantees the provision of sufficient rolling stock for evacuation or movement of the Minimum Guaranteed Quantity.

Competition

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

- non-Major Ports and Major Ports located on the northwest coastline of India, such as Mundra Port, Kandla Port, Mumbai Port, Jawaharlal Nehru Port Trust and GMB-managed ports; and

- port service providers and intermediaries that operate at existing ports such as handling, stevedoring, clearing and forwarding agents.

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

Our key competitive advantage has been what we believe to be our cost advantage relative to other ports in the region because of the location of our Port, with good proximity and connectivity to inland cargo centres, particularly in north and north western India. We are not covered within the regulatory purview of TAMP, which provides us with considerable flexibility in determining the tariff rates at our Port. Our ability to determine tariff rates also allows us to compete effectively and manage our business operations better. We expect that competition may increase through the development of new ports that may compete with us. See "Risk Factors – We operate in a highly competitive environment and if we are not able to compete effectively, our income and profitability will be adversely affected" on page xxii of this Draft Red Herring

Prospectus.

Sales and Marketing

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

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

For the last three fiscal years and the three month period ended March 31, 2008, the fees and charges for cargo handling, storage, marine and related services accounted for nearly all of our revenue from operations. These fees and charges are set by us based on market conditions. Fees and charges vary according to the type of cargo being handled as well as service being provided, such as loading and unloading, storage, and other marine services such as the piloting and berthing of ships at our Port. We generally collect our fees from customers at the time that we perform our services or, in many cases such as marine services, in advance.

Technology and IT Systems

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

Our business application for handling our container cargo, called TOS has been developed in-house. We intend to further improve our TOS in the future by adding functionality that will allow customers, including cargo owners and shipping companies to book space at our Port through the internet, track cargo, review charges, and receive and exchange electronic data and transaction services.

We have also implemented an ERP solution, provided by Industrial and Financial Systems, which caters to various port functions such as finance, inventory, procurement, maintenance/ engineering, asset management and human resources.

The other key systems used for our marine operations include weather forecasting station and software for hourly data of wind speed, wind direction, wind atmosphere, wind pressure, humidity temperature, rain prediction and tide calculation software for tidal prediction to aid the port in taking vessel-berthing decisions.

In addition, we have a network of 125 VHF radios/ walkie-talkies for un-interrupted communication between our various operations and functions. We have also commissioned and installed modern AIS to comply with ISPS requirements.

Employees

We had 288, 278, 314, 383, 428 and 483 full-time employees for the fiscal years ended March 31, 2004 and 2005, December 31, 2005, 2006 and 2007 and for the three month period ended March 31, 2008, respectively, all of which were based in India. Our employees have a wide rage of experience and skills, including in areas such as port planning, marine operations, stevedoring, logistics services and port information systems. The total personnel expenditure, including compensation and benefits to our employees, for fiscal 2007 and for the three month period ended March 31, 2008 was Rs. 138.35 million and Rs. 45.73 million, respectively.

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

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

We believe that our employees relations are satisfactory and we have not experienced any significant industrial unrest, major strikes, lockouts or other disruptive labour disputes or work stoppages. Presently there are two employee unions at Port Pipavav.

Insurance

We are covered by insurance policies for loss caused by accident, fire, flood, riot, strike and malicious damage, for liability to our customers and third parties and for anticipated loss of revenue. We believe that our properties are covered with adequate insurance and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the assets and properties to which they relate.

Notwithstanding our insurance coverage, damage to our Port, facilities, equipment, machinery, buildings or other properties as a result of occurrences such as fire, explosion, power loss, telecommunications failure, intentional unlawful act, human error or natural disaster or terrorism, or any decline in our business as a result of any threat of war, outbreak of disease or epidemic could nevertheless have a material adverse effect on our financial condition and results of operations to the extent such occurrences disrupt the normal operation of our business. See “Risk Factors – We may not have adequate insurance to cover all losses we may incur in our business operations or otherwise” on page xxiii and “Risk Factors – “Our business and facilities may be adversely affected by severe weather conditions or natural disasters in Gujarat or elsewhere” on page xxii of this Draft Red Herring Prospectus.

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

We have obtained a directors’ and officers’ liability insurance policy for Rs. 250.00 million from IFFCO – Tokyo General Insurance Company Limited on September 5, 2008, which is valid until September 5, 2009. We paid a premium of Rs. 0.39 million for claims that may be made against the insured for any wrongful acts done in the insured’s capacity as our director, officer or employee.

Intellectual Property

We use a combination of in-house and third-party systems and software platforms for our Port operations and corporate offices. We generally enter into licensing agreements through global APMM Group contracts with respect to the use of such software platforms. Our employees are also required to sign a confidentiality agreement as a condition of their employment. We have received certificates of registration under the Trade Marks Act, 1999, as amended, for the logo and name “Port Pipavav” under various classes.

Properties

Our registered office is located at Pipavav Port, At Post Uchchaiya via Rajula, District Amreli, Gujarat 365 560. Our corporate office is located at Empire Industries Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, on premises rented by one of the APMM group companies.

The majority of our properties and assets including leasehold land and rights within port limits are located at Port Pipavav. We have the right to develop approximately 1,561 acres of land around Port Pipavav. We have developed approximately 388 acres and plan to utilize the undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas.

REGULATIONS AND POLICIES IN INDIA

Port Related Regulations

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

The Indian Ports Act, 1908

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

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

The Gujarat Maritime Board Act, 1981

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

Port Policy, 1995 of the Government of Gujarat

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

Some of the objectives of the port policy are:

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

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

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

- Construction of new wharves/jetties in selected sites and incomplete works of wharf/jetty/quay of GMB will be privatised; and

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

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

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

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

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

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

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

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

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

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

The Gujarat Infrastructure Development Act, 1999

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

Inland Vessel Act, 1917

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

The Electricity Act, 2003

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

Customs Act, 1962

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

Other Laws

Labour laws

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

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

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

The Dock Workers (Regulation of Employment) Act, 1948

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

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

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

Employees State Insurance Act, 1948

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

Payment of Gratuity Act, 1961

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

Employees Provident Fund and Miscellaneous Provisions Act, 1952

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

The Maternity Benefits Act, 1961

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

The Industrial Employment (Standing Orders) Act, 1946

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

The Minimum Wages Act, 1948

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

Contract Labour (Regulation and Abolition) Act, 1970

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

Environmental Legislations

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

Water (Prevention and Control of Pollution) Act, 1981

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

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must obtain consent from the state pollution control board prior to commencing any mining activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 (the "**Rules**") fix the responsibility of the occupier and the operator of the facility that treats hazardous wastes to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the

SPCB has to be immediately alerted and the occupier will have to pay for remedial and restoration expenses.

Environment Policy of GMB

The GMB implements an environmental policy which aims to achieve compliance with relevant environment legislations, minimise environmental impact of port operations and seek continual improvement in the environmental performance of all GMB ports. GMB will integrate environmental issues in its own operations and in its contracts with third parties. The policy seeks to ensure that projects comply with the legal requirements and in line with Coastal Zone Management Plans.

Coastal Regulation Zone Notification, 1991

The Central Government issued the Coastal Regulation Zone Notification, 1991 (the "**CRZ Notification**") under Section 3(1) and Section 3(2)(v) of the Environment (Protection) Act, 1986 and Rule 5(3)(d) of the Environment (Protection) Rules 1986, for the purpose of conserving and protecting the coastal environment. By this CRZ Notification the Central Government has declared the coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action up to 500 metres from the High Tide Line ("**HTL**") and the land between the Low Tide Line ("**LTL**") and the HTL as Coastal Regulation Zone; and certain restrictions on the setting up and expansion of industries, operations or processes, in the said notification. The CRZ Notification provides a list of prohibited activities and regulates the permissible activities. Operational constructions for ports and harbours and light houses and constructions for activities such as jetties, wharves, quays and slipways, pipelines, conveying systems including transmission lines has been identified as an activity requiring environmental clearance from the Ministry of Environment and Forest, Government of India. The CRZ Notification further divides the coastal zone into four zones and lays down the activities that can be undertaken in each area.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on August 5, 1992 as Gujarat Pipavav Port Limited, a public limited company, under the Companies Act. At the time of incorporation, our Company was a joint venture between GMB and Seaking Engineers Limited, now known as SKIL Infrastructure Limited ("**SKIL**"). In June, 1998, GMB divested its stake in our Company in favour of SKIL.

Our Company, SKIL, APM Terminals Holdings Limited ("**APMTHL**"), a company registered under the laws of Bermuda, Maersk India Private Limited ("**Maersk India**"), a company incorporated in India and certain other parties entered into a share subscription agreement dated June 29, 2001 and share purchase agreement dated June 29, 2001. Pursuant to these agreements, APMTHL and Maersk India acquired 13.5% of the then shareholding of our Company. APMTHL transferred its shareholding in our Company to APM Terminals Mauritius Limited, our Promoter, in October 2005.

Further, pursuant to the share sale and purchase agreement (the "**GPPL SPA**") dated March 30, 2005, SKIL Infrastructure Limited, Nikhil Gandhi, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited divested their shareholding in our Company in favour of APM Terminals Mauritius Limited, the Industrialization Fund for Developing Countries and India Development Fund I. The Company entered into further subscription agreements between June 2001 and April 2005 with certain private equity investors pursuant to which these private equity investors became shareholders of our Company. For further details see "Capital Structure" on page 19 of the Draft Red Herring Prospectus.

Our Company entered into a concession agreement dated September 30, 1998 and a supplementary concession agreement dated June 2, 2006 (together, the "**Concession Agreement**"), with GMB and GoG to develop, finance, design, construct, operate and maintain the port at Pipavav in accordance with the build, own, operate and transfer policy as laid down by the GoG. For further details, see "– Key Long Term Agreements – Concession Agreement" on page 89 of this Draft Red Herring Prospectus.

Debt Restructuring

Our Company had outstanding borrowings of Rs. 2,985.30 million as at October 1, 2003. We were referred to the Corporate Debt Restructuring ("**CDR**") Cell for restructuring our debt under the Corporate Debt Restructuring guidelines issued by the RBI. The CDR Empowered Group approved a restructuring proposal at its meeting on October 30, 2003 which was communicated to the Company through a letter dated November 29, 2003, which was subsequently amended from time to time (the "**Restructuring Package**"). Under the Restructuring Package, our Company entered into Restructuring Agreements and Loan Agreements with the CDR lenders, being Industrial Development Bank of India, Punjab National Bank, Export Import Bank of India and Industrial Investment Bank of India Limited. As at September 16, 2008, the Company had outstanding CDR Debt of Rs. [●]. For further details, see "Indebtedness" on page 125 of this Draft Red Herring Prospectus.

The CDR Empowered Group has, in its meeting held on August 22, 2008, approved the early repayment of the entire CDR Debt of the Company and the Company's exit from the CDR Scheme. The Company has received a Letter of Intent dated September 19, 2008 from Infrastructure Development Finance Company of India to avail of a term loan for the purposes of, inter alia, repayment of the CDR Debt.

Key Events and Milestones

Year	Month	Key Events/ Milestones
1998	September	Concession Agreement entered into with GMB and GoG
2000	May	PRCL incorporated as a joint venture company with Indian Railways, for gauge conversion of rail line from Surendranagar to Rajula and laying of new line from Rajula to Pipavav.
2001	June	Concession Agreement entered into between PRCL and the Indian Railways
2001	June	APMM Group, through two of its companies, acquires 13.5% of the shareholding of our Company as strategic investment

Year	Month	Key Events/ Milestones
2002	April	Commercial operations commenced
2003	May	Broad gauge rail connectivity from Surendranagar to Pipavav commissioned
2004	August	Three panamax quay cranes commissioned
2005	April	APM Terminals Mauritius Limited, alongwith IDFC and IDF acquire the shareholding of our Company from SKIL
2006	March	First Port in India to receive Double Stack Container Train from ICD Kanakpura (Jaipur) to Pipavav
2006	May	Phase I capital dredging completed enabling vessel acceptance draft of 12.5 metres
2006	May	Mainline container vessel services commence operation
2006	November	Eight rubber tyre gantry cranes commissioned
2007	December	Environment friendly coal yard commissioned
2008	January	Three post panamax quay cranes commissioned
2008	January	Ten eco-friendly rubber tyre gantry cranes commissioned

Awards and Achievements

Year	Month	Award/Achievement
2008	September	Annual Indian Maritime Gateway Awards 2008 – Achievement in Environmental Protection

Change in Registered Office of the Company

The Registered Office of the Company was shifted from B-1, Maharaja Palace, University Road, Navrangpura, Ahmedabad to Pipavav Port At Post Ucchaiya via Rajula District Amreli, Gujarat on January 6, 2004.

Changes in the Memorandum of Association

Except as stated in "Capital Structure – Changes in Authorised Share Capital" on page 19 of this Draft Red Herring Prospectus, there have been no changes to our Memorandum of Association.

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To construct, develop, maintain, build, equip, hire or otherwise deal with ports, shipyards, jetties, harbours, docks, ship breaking, ship repair, ship building at any port in India or elsewhere and to carry on business of inland and sea transport including goods, passengers and mail, shippers, ship brokers, ship agents, ship underwriters, ship managers, tug owners, barge owners, insurance brokers, loading brokers, freight, brokers, freight contractors, stevedores, warehousemen, wharfingers and building, assembling, fitting, constructing, repairing, servicing and managing ships, seagoing vessels and vessels for inland waterways.

2. To contract, develop, maintain, build, equip, hire, strengthen, widen, upgrade or otherwise deal in any manner with roads, railways, railway sliding, payments, highways, anywhere in India and to acquire lease, concessions, rights from any authority in India for the said purpose and operate, grant, lease, concessions and right for the above purpose either on commercial basis including on toll basis or otherwise and to carry on any business of consultants, architects, advisors, syndicators,

agents, structural engineers, contractors or otherwise carry on any other business ancillary to the above objects.

Material Agreements

1) Shareholders' Agreement

APM Terminal Mauritius Limited, the Administrator of the Specified Undertakings of Unit Trust of India and UTI Trustee Company Private Limited, India Infrastructure Fund LLC, the Infrastructure Fund of India, New York Life International India Fund (Mauritius) LLC, Jacob Ballas Capital India Private Limited IDFC Infrastructure Fund, IDFC Private Equity Fund II and IL&FS Trust Company Limited have entered into a shareholders' agreement dated September 26, 2008 with the Company (the "Shareholders' Agreement"). The Shareholders' Agreement records the terms and conditions of the participation of these shareholders in the shareholding and management of the Company and the operation of Pipavav Port, and inter alia provides that:

1. The day-to-day management of the Pipavav Port shall be undertaken by APMT Mauritius or such other entities that are a part of the A.P.Moller-Maersk Group pursuant to the terms of the Concession Agreement.

2. The parties agree not to acquire or transfer 10% or more direct or indirect interest in the Company without the prior approval of the GMB and the GoG, which acquisition/transfer would result in a breach of the Concession Agreement.

3. APM Terminals Mauritius Limited shall have the right, so long as it a shareholder of the Company, to appoint upto 4 nominee directors on the board of directors of the Company.

4. IDFC Private Equity Group shall have the right, so long as it holds at least 22,399,419 Equity Shares, to appoint one nominee director on the board if directors of the Company. In the event, IDFC Private Equity Group's shareholding in the Company falls below 22,399,419 Equity Shares, it shall cease to have such right to appoint a nominee director and a corresponding right to appoint one nominee director shall become available to the shareholder who holds the maximum number of Equity Shares (subject to a minimum shareholding of 4% of the equity share capital of the Company) out of the following: (i) Administrator of the Specified Undertakings of the Unit Trust of India and UTI Trust Company Private Limited; (ii) IIF and TIFOI (being funds advised and managed by AMP Capital); (iii) NYLIIF Group; and (iv) IL&FS Trust Company Limited. The nominee Director appointed by IDFC Private Equity Group or one of the other shareholders as specified above, shall not be liable to retire by rotation.

5. The Managing Director of the Company shall always be an APM Terminals Mauritius Limited nominee director and shall report directly to the Board. APM Terminals Mauritius Limited shall be entitled to remove any such Managing Director and appoint in his place, another nominee director. The Managing Director shall not be liable to retirement by rotation as long as he holds office as Managing Director.

6. The following resolutions shall only be effective with the approval of a special majority of the Board, unless a resolution of the members is required pursuant to Indian law, in which case the resolutions shall also require the approval of the members, in accordance with the Companies Act:

   i) Any variation, amendment or termination to the Concession Agreement (or the lease under the Concession Agreement);
   ii) Any variation, amendment or termination to the terms of appointment of the Conflict Committee.
   iii) The creation, allotment, division into classes or issue of any shares or the grant or agreement to grant any option over Equity Shares or any uncalled capital of the Company or the issue of any securities that are convertible into Equity Shares;
   iv) The increase or reduction of share capital of the Company or the consolidation, sub-division, purchase or cancellation of any share capital or the alteration of any rights pertaining to any share or class of shares in such capital or any other re-organisation of the share capital of the Company;
   v) Creation of subsidiaries; and

vi) The acquisition by the Company of any shares or other interests in any other company or the participation by the Company in any partnership or joint venture outside the ordinary course of business.

"Special majority" means the consent of at least three quarters (3/4) of the Directors appointed on the Board present at a duly convened meeting and entitled to vote.

7. The Board of Directors shall be entitled to nominate, appoint, remove and replace from time to time an observer(s) to attend meetings of the board of directors and its committees, in a non-voting, observer capacity.

2) Concession Agreement with GMB and the GoG

Our Company entered into a concession agreement on September 30, 1998 and a supplementary agreement to the concession agreement dated June 2, 2006 (together the "**Concession Agreement**") with GMB and the GoG (acting as a confirming party). The Concession Agreement grants our Company the right to develop, finance, design, construct, operate, and maintain the Port, in accordance with the Build Own Operate and Transfer ("BOOT") policy of the GoG issued in July, 1997 and supersedes all previous permissions granted in this regard. The Concession Agreement is valid for 30 years and extendable by a maximum period of two years or by such period till 'transport infrastructure linkages' as provided under the approved detailed project reports of phase I, are in place. In the event our Company is unable to renew the Concession Agreement, it shall transfer the Port to GMB in accordance with the provisions of the Concession Agreement.

Under the terms of the Concession Agreement, the key promoter, being APM Terminals Mauritius Limited and Maersk India Private Limited are together required to hold a minimum shareholding of 46.0% in our Company until December 31, 2009. Maersk India Private Limited has on August 12, 2008 transferred its shareholding in our Company to APM Terminals Mauritius Limited. Pursuant thereto APM Terminals Mauritius Limited is required to hold 46.0% of the shareholding of our Company in terms of the Concession Agreement. Further, any acquisition of 10% or more shareholding in our Company requires the prior approval of GMB and any change in the shareholding of the Company (other than those which require GMB's approval) shall be intimated to GMB by the Company. GMB also has the right to nominate one director on our Board of Directors.

Our Company has been granted the following rights and entitlements under the Concession Agreement:

- Develop both 'core assets' being dry cargo jetties and liquid cargo jetties and 'contracted assets' such as a multi purpose terminal, container bulk or dry bulk, shared services, liquid and other terminal and other intangible assets for the port;
- Grant sub-concessions for the 'contracted assets', as defined under the Concession Agreement and core assets subject to prior written approval of GMB being obtained in the case of core assets. However, all sub-concessions shall be consistent with the Concession Agreement and shall be co-terminus with the Concession Agreement.
- Sub-contract with any other party and mortgage the Company's leasehold interest in the land and the waterfront. However, the Company cannot create any charge on the core assets except with the approval GMB; and
- Collect fees for services rendered at the port.

Under the terms of the Concession Agreement, our Company has to pay GMB a waterfront royalty of Rs. 10 per tonne for solid cargo and Rs. 20 per tonne for liquid cargo. The royalty will be increased by 20% every three years. However, as permitted by the Concession Agreement, our Company is currently paying concessional waterfront royalty of Rs. 5 per tonne for solid cargo and Rs. 10 per tonne for liquid cargo, until the time the approved capital cost for the port is set off against the difference between the waterfront royalty and the concessional waterfront royalty. The royalty is subject to escalation at the rate of 20% every three years from July 18, 2003, during the term of the Concession Agreement.

Under the terms of the Concession Agreement, the GoG and GMB have provided our Company with a right of first refusal for development of any captive jetties within 150 kilometres on either side of the Port until 2013. However, the GoG or GMB may allow such jetty to develop if it feels that such development is significant for the economic development of such region, is based on local resources and is vital for the economic viability of such project. The GoG and GMB shall not develop any new common user port site other than sites identified in the Ports Policy, 1995 of the GoG till the year 2008. In the event that the sites identified in the Ports Policy, 1995 are found to be unviable, the GoG shall be within its rights to develop other sites which are located not less than 150 kilometres away from the Port, subject however to the maximum number of sites identified in the Ports Policy, 1995. If the Port is not in a position to handle any specialised cargo, in that case, establishment of a new port can be allowed by the GoG for that particular kind of cargo.

Our Company may serve a notice for termination if a change in law makes it impossible for our Company to fulfil our obligations under the Concession Agreement. However, both the GMB and our Company shall consult for 180 days prior to sending such notice to mitigate the impact of such change in law. GMB and our Company may also serve a notice of intent to terminate in case of an event of default by the other party. Subsequently, the defaulting party shall have 90 days to rectify such default failing which, the non-defaulting party may terminate the Concession Agreement by giving 90 days notice. If any notice of intent to terminate is on account of our failure to pay any dues, our lenders have the right to rectify such default.

Events of default by our Company under the Concession Agreement include, among others, the failure of our Company to pay waterfront royalty consecutively for six months and a persistent failure to promote activities at the port and provide port users with services. An event of default by GMB includes, among others, the dissolution or any structural change of the GMB which will have a material effect on its rights and obligations under the Concession Agreement.

Upon expiry of the Concession Agreement, all assets shall be transferred to the GMB based on the valuation provided by an independent appraisal team. The independent appraisal team shall be guided by the asset valuation practices detailed out in the Concession Agreement which are as follows:

- Valuation of immovable contracted assets and essential movable contracted assets based on the Depreciated Replacement Value of assets shall be carried out in accordance with the most recent guidelines of the Asset Valuation Standards Committee, Statements of Asset Valuation Practices and Guidelines Notes, the Royal Institution of Chartered Surveyors, United Kingdom, publication dated January 1995 or as amended from time to time.
- The valuation of immovable contracted assets and essential movable contracted assets, which are still under construction and/or yet to be commissioned (i.e. capital work in progress) shall be based on the book value of such assets.
- For the valuation of immovable contracted assets and essential movable contracted assets based on the depreciated historical cost, depreciation shall be calculated on straight line basis.
- The asset value of each asset computed as per the above guidelines shall be termed as the fair value
- In computing the fair value of assets in the following events, no account shall be taken for any diminution in value attributable to:
  - licensor default; or
  - GoG/Government of India change in law
- The valuation of assets and the compensation payable shall be entirely denominated in Indian rupees.

In the case of early termination, the value of the assets to be transferred shall be discounted depending on whether the termination was on account of an event of default by GMB or our Company. The Government of India, the GoG or GMB has the right to manage the Port and its facilities following any event of default by our Company, or any national emergency. The Port shall revert back to our Company after one year and the Concession Agreement shall be extended for the time that the Government was managing the Port.

If a termination notice is issued by GMB to our Company, our lenders have the right to approach GMB seeking to appoint a new licensee and the Concession Agreement may be novated in favour of a new licensee if GMB gives its approval. Our Company is not entitled to transfer any of the rights or obligations under the Concession Agreement or any interest in the core assets without the prior approval of the GMB, except any transfer to our lenders. Further, the right of our lenders to substitute our Company are subject to the approval of GMB.

3) Lease and Possession Agreement with GMB

Our Company has entered into a lease and possession agreement ("**LPA**") dated September 30, 1998 with the GMB for lease of an area of land admeasuring 423 hectares and 69 square metres situated at village

Rampara, Taluka Rajula, District Amreli, Gujarat. The lease has been granted for the purpose of development, construction, operation and maintenance of Pipavav Port along with a right to our Company to use the foreshore land and waterfront for a period of 30 years commencing from September 30, 1998. However, the LPA is concurrent with the Concession Agreement and shall terminate in event of termination of the Concession Agreement. The lease rent payable by our Company is approximately Rs. 2.96 million per annum, payable by April 30 every year, and will increase by 20% every three years.

As per the terms of the LPA our Company is entitled to sub-lease the said land for the purposes set out in the LPA and such sub-lease will be in accordance with the Concession Agreement. Such sub-lease, if granted, will not exceed the term of the LPA and the sub-lessees will be bound by the terms of the LPA. Our Company and all sub-lessees are entitled to create a mortgage or charge over the leased land or any part thereof (except core assets as defined under the Concession Agreement) as security for amounts due to a bank or financial institution without the prior permission of GMB.

4) Offshore Support Services Agreement dated April 15, 2005 between our Company and APM Terminals Management B.V. (the "Offshore Support Services Agreement")

Our Company has entered into an Offshore Support Services Agreement dated April 15, 2005 with APM Terminals Management B.V. ("**APMTM B.V**") for utilizing services provided by APMTM B.V. exclusively with respect to offshore business and commercial advisory, which comprises of the services provided in the schedule to the said agreement including any such additional services, as may be agreed upon and determined by our Company, in accordance with the terms of the agreement. APMTM B.V. shall endeavour to provide services to our Company to ensure that the Company develops and maintains Pipavav Port as a first class common user port operated to international standards and maintains all the facilities, staffing and personnel required for operation of Pipavav Port.

As per the terms of the Offshore Support Services Agreement, APMTM B.V. shall not receive a fee from the Company for providing its services until April 1, 2012, other than reimbursement of costs and expenses incurred by APMTM B.V.. However, from April 1, 2012, our Company is required to pay APMTM B.V. an aggregate of monthly fees, payable in arrears, calculated as the sum of:

a) an amount equal to US$ 0.20 for every 16 tonnes of any or all non-containerised cargo handled across the wharf in either direction at the Port; and
b) an amount equal to US $1 for every TEU handled to or from each vessel calling at the Port.

The term of the Offshore Support Services Agreement is for a period five years, and may be renewed for a further period of five years on the same terms and conditions as the present agreement.

The Offshore Support Services Agreement may be terminated in the event of a material breach of the conditions of the said agreement by either parties or in the event of force majeure as envisaged under the terms of the said agreement. Further, the Offshore Support Services Agreement may be terminated, among other things, by:

a) agreement between the parties; or
b) upon termination of the Concession Agreement; or
c) at the option of either party in the event A.P. Møller Mærsk A/S or any company within the A. P. Møller Mærsk Group ceases to hold at least 26% of the issued equity share capital of our Company.

5) Shareholders' Agreement entered into between Railway Board of the Ministry of Railways, Government of India (through the President of India) (the "MoR") and our Company

Our Company entered into a Shareholders' Agreement dated March 28, 2001 (the "**PRCL Shareholders' Agreement**") with the MoR to set up PRCL as a special purpose vehicle to construct, own, operate and maintain a broad gauge railway link between Surendranagar and Pipavav Port and enter into a concession agreement with the MoR setting out the terms and conditions of the concession under which PRCL would obtain those rights for the same. Under the terms of the PRCL Shareholders Agreement, our Company and MoR were required to hold 50% of the shareholding of PRCL. Our Company, pursuant to participation agreements dated April 8, 2003 with General Insurance Corporation of India ("**GIC**"), New India Assurance Company Limited ("**NIAC**"), assigned its rights to subscribe to shares to the extent of 2.5% each of the shareholding of PRCL, on the date of the participation agreement, to GIC and NIAC. Further, by way of a participation agreement dated July 29, 2004 entered into with India Project Development Fund ("IPDF"), our Company assigned its right to subscribe to shares to the extent of 8.33% of the shareholding of PRCL, on the date of the participation agreement.

Under the terms of the PRCL Shareholders Agreement, MoR is appointed to operate and maintain these facilities for the same period as the concession obtained from MoR by PRCL continues. The transactions between PRCL and our Company and MoR are required to be on an arm's length basis.

Pursuant to the terms of the PRCL Shareholders Agreement, the shareholders of PRCL may each nominate one director on the board of directors for every 8% block of shares that they hold in PRCL. The chief executive officer of PRCL may not be a nominee of any of the shareholders of PRCL. Further, under the terms of the PRCL Shareholders Agreement, the chairman of the board of directors of PRCL will be nominee of MoR.

6) Transportation and Traffic Guarantee Agreement (the "Traffic Guarantee Agreement") between our Company, PRCL and the Ministry of Railways dated January 10, 2003

Under the terms of the Traffic Guarantee Agreement, our Company has agreed to provide guaranteed traffic to PRCL at a minimum annual aggregate quantity of its freight cargo of one million tonnes, two million and three million tonnes for the first, second and third year, respectively. From the third year onwards, our Company shall provide a minimum freight cargo of three million tonnes. Under the Traffic Guarantee Agreement, our Company has a duty to inform PRCL of the annual freight forecast.

Pursuant to the terms of the Traffic Guarantee Agreement, in the event that our Company fails provide requisite freight cargo to PRCL in any given year, then our Company is required to compensate PRCL, in accordance with the terms set out in the Traffic Guarantee Agreement.

7) Non Compete Letter dated March 30, 2005 issued by Nikhil Gandhi, SKIL Infrastructure Limited, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited (together the "NG Group") and confirmed by our Company

Pursuant the sale and purchase agreement dated March 30, 2005 made between the NG Group, as sellers, and APM Terminals Mauritius Limited, IDF and IFU, as purchasers, for sale of equity shares of the Company and pursuant to a letter dated March 30, 2005 issued by the NG Group, each member of the NG Group has provided an undertaking to our Company that it shall not, directly or indirectly for a period of five year from March 30, 2005:

- Engage in the operation of handling container cargo, bulk cargo or liquid cargo (such as liquefied petroleum as, liquefied natural gas and crude oil) or any other services of a type which is similar to the services supplied at Pipavav Port, which activities are in competition with the activities carried on by the Company at Pipavav Port, in any port located in the state of Gujarat;
- Employ, solicit, offer employment to or endeavour to employ, solicit or entice away from our Company any director or manager employed or otherwise engaged by our Company at any time during the previous year, whether or not such a person would commit any breach of his contract of employment by reason of his leaving the service of our Company, excluding those employees listed in the surplus employees' list contemplated under the sale and purchase agreement dated March 30, 2005 mentioned above;
- Invest in a port within the State of Gujarat, provided that this restriction shall not apply to any investment made up to 5% by the NG Group or by its Affiliates in any listed company engaged in the business of running or operating of any port or concerned with any port or port operations within the State of Gujarat;
- Develop Positra as a port although the activity of the NG Group developing Positra as a port and serving the customers and tenants using the special economic zone at Positra is permitted and shall not be construed as a violation of any other clauses of this Non Compete Letter provided it does not compete with Pipavav Port; and
- Transfer the concession granted by the GoG and /or any authority under it in respect of Positra other than to another member of the NG Group.

In case of a dispute, this Non Compete Letter provides for a provision of arbitration under the Arbitration and Conciliation Act, 1996, as amended, of India.

OUR MANAGEMENT

Under our Articles of Association we cannot have fewer than 3 directors and more than 12 directors. We currently have 9 directors on our Board.

The following table sets forth details regarding our Board as on the date of the Draft Red Herring Prospectus with SEBI.

Name, Designation, Father's Name, Address, Term, DIN and Occupation	Age (Years)	Nationality	Other Directorships Associations / Foundations / Partnerships / Others
Mr. Per Jorgensen *Chairman (Independent Director)* s/o Mr. George Holger Jorgensen Vitus Berings Alle 4 2930 Klampenborg Denmark Date of Appointment: August 29, 2008 Term: Liable to retire by rotation DIN: 00050532 Company Director	73	Danish	-
Mr. Pravin Laheri, IAS (Retd.) *Independent Director* s/o Mr. Kanubhai Jivandas Laheri A-404, Bageshwari Flats, Opposite Fun Republic, Ramdevnagar, S. G. Road, Ahmedabad 380 054 Date of Appointment: August 29, 2008 Term: Liable to retire by rotation DIN: 00499080	63	Indian	• Torrent Energy Limited • Amap Management Consulatncy Private Limited • Gujarat Heavy Chemicals Limited • Ambuja Foundation

Name, Designation, Father's Name, Address, Term, DIN and Occupation	Age (Years)	Nationality	Other Directorships Associations / Foundations / Partnerships / Others
Company Director			
Mr. Sethurathnam Ravi *Independent Director* s/o Dr. T. S. Sethurathnam D-218, Saket, New Delhi 110 017 India Date of Appointment: May 21, 2005 Term: Liable to retire by rotation DIN: 00009790 Chartered Accountant	49	Indian	• Ravi Rajan and Company Private Limited • IFCI Limited • Corporation Bank • IDBI Capital Markets Services Limited • Mahindra Ugine Steel Company Limited • LIC Housing Finance Limited • IDBI Homefinance Limited • Kudremukh Iron Ore Company Limited • Hindustan Aeronautics Limited • UTI Trustee Company Private Limited • Inter-connected Stock Exchange of India Limited • Bharat Heavy Electricals Limited • S Ravi Financial Management Services Private Limited • Ravi Rajan & Co., Chartered Accountants
Mr. Atanu Chakraborty, IAS *Director (Non-Executive)* s/o Dr. Amalendu Chakraborty O/5, Old Raj Bhawan Flats, Near Gayatri Temple, Shahibaug, Ahmedabad 380 004 Date of Appointment: September 10, 2008 Term: Liable to retire by rotation DIN: 01469375 Service	48	Indian	• Gujarat Port Infrastructure and Development Company Limited • Alcock Ashdown Gujarat Limited • Gujarat Chemical Port Terminal Company Limited • Creative Infocity Limited • Bharuch Dahej Railway Company Limited • Mundra Port and SEZ Limited

Name, Designation, Father's Name, Address, Term, DIN and Occupation	Age (Years)	Nationality	Other Directorships Associations / Foundations / Partnerships / Others
Mr. Luis Miranda *Director (Non-Executive)* s/o Mr. Mario de P Miranda 801 B, Deepali, St. Cyril Road, Bandra (West) Mumbai 400 050 Date of Appointment: November 10, 2005 Term: Not liable to retire by rotation DIN: 01055493 Service	47	Indian	• IDFC Private Equity (Mauritius) Fund III • Goodearth Maritime Limited Goodearth Shipbuilding Private Limited • Sical Infra Assets Limited • Moser Baer Solar PLC • Sical Logistics Limited • Krishna Godavari Gas Network Limited • Manipal Universal Learning Private Limited • L&T Infrastructure Development Projects Limited • IDFC Private Equity (Mauritius) Fund II • Chalet Hotels Limited • Bergen Offshore Logistics Pte • Emerging Markets Private Equity Association • Centre for Fuel Studies and Research • Graduate School of Business, University of Chicago – Member of the Asia Cabinet, Global Advisory Board
Mr. Christian Moller Laursen *Director (Non-Executive)* s/o Mr. Preben Moller Laursen SBN Doormanln 17 2243 AJ Wassenaar The Netherlands Date of Appointment: May 13, 2005 Term: Liable to retire by rotation DIN: 00431748 Service	42	Danish	• APM Terminal B.V. • APM Terminals China Limited • APM Terminals Mauritius Holding Limited • Maersk Holding B. V.

Name, Designation, Father's Name, Address, Term, DIN and Occupation	**Age (Years)**	**Nationality**	**Other Directorships Associations / Foundations / Partnerships / Others**
Mr. Jorgen Madsen *Director (Non-Executive)* s/o Mr. Niels Madsen PO Box 161, PC 118, Muscat Sultanate of Oman Date of Appointment: September 11, 2007 Term: Liable to retire by rotation DIN: 01745152 Service	62	Danish	• Gateway Terminals India Private Limited • South Asia Gateway Terminals, Sri Lanka • Salalah Port Services Company, Oman • Aqaba Container Terminals, Jordan • APM Terminals, Bahrain
Mr. Dinesh Kumar Lal *Director (Non-Executive)* s/o Mr. Madan Manohar Lal 34, Lotus Court J. Tata Road Churchgate Mumbai 400 020 Date of Appointment: June 1, 2004 Term: Liable to retire by rotation DIN: 00037142 Service	56	Indian	• Santusht Credit Capital and Investment Private Limited • Millenary Impex Private Limited • Lotus Real Estates Private Limited • Shefali Farms Private Limited • Shibani Agro Products Private Limited • Sweet Valley Agro Products Private Limited • Shefali Greens Private Limited • Shibani Greens Private Limited • Shefali Agro Products Private Limited • Shefali Horticulture Private Limited • Shibani Plantations Private Limited • AMI India Logistics Private Limited • Maersk India Private Limited • Gateway Terminals India Private Limited • Alert Agencies and Investments Private Limited • Pipavav Railway Corporation Limited • Lotus Court Limited • European Union Chamber of Commerce and Industry

Name, Designation, Father's Name, Address, Term, DIN and Occupation	Age (Years)	Nationality	Other Directorships Associations / Foundations / Partnerships / Others
Mr. Philip Littlejohn *Managing Director* s/o Mr. James Gavin Littlejohn C/9, 4th Floor, C Building, Sea Face Park CHS Limited, 50 Bhulabhai Desai Road, Mumbai- 400 026 Date of Appointment: June 12, 2007 Term: 2 years from the date of appointment DIN: 01842355 Service	54	British	• Pipavav Railway Corporation Limited • Gateway Terminals India Private Limited

Brief Profile of the Directors

Mr. Per Jorgensen, 73 years, has been an independent director of our Company since August 29, 2008 and was also appointed as the Chairman of our Company on September 10, 2008. Mr. Jorgensen has completed his education in Denmark and Harvard University. Mr. Jorgensen has previously worked with AP Møller Mærsk A/S between the period 1954 to 2006 and has held various positions in Denmark and overseas. He retired as the Executive Vice President and partner of AP Møller Mærsk A/S.

Mr. Pravin Laheri, IAS (Retd.), 63 years, has been an independent director of our Company since August 29, 2008. Mr. Laheri holds bachelors degree in arts as well as law and a masters of science (economics) degree from the University of Wales. He belongs to the batch of 1969 of the Indian Administrative Services and has held various positions across different departments in the State of Gujarat. He has also worked as Executive Director of National Institute of Fashion Technology (NIFT) under Ministry of Textiles, Government of India. He has been the Principal Secretary to five Chief Ministers of Gujarat. He retired as Chief Secretary of GoG in 2005, a position he held since 2003.

Mr. Sethurathnam Ravi, 49 years, has been an independent director of our company since May 21, 2005. Mr. Ravi holds a post graduate degree in commerce and is also a qualified Chartered Accountant. He currently heads a chartered accountancy consultancy by the name of Ravi Rajan & Co. He has previously been a director on the board of UCO Bank and Dena Bank.

Mr. Atanu Chakraborty, **IAS**, 48 years, has been Director of our company since September 10, 2008. Mr. Chakraborty has graduated in electronics and communication and has obtained a post graduate diploma in business finance and master's degree in business administration (U.K.). Mr. Chakraborty is an Indian Adminstrative Service officer of the batch of 1985. Mr. Chakraborty has previously worked in various capacities in the state and central government.

Mr. Luis Miranda, 47 years, has been Director of our Company since November 10, 2005. Mr. Miranda holds a Master's degree in Business Administration from the University of Chicago and is also a member of the Institute of Chartered Accountants of India. He is President and Chief Executive Officer of IDFC Private Equity Company Limited. Mr. Miranda has extensive experience in dealing with early stage companies and private equity investing. In 2002, he set up IDFC Private Equity which manages three funds focused on infrastructure in India with commitments of USD 1.3 billion. He was earlier a Partner at ChrysCapital. Prior to that, he spent 11 years in sales and trading and was a key member of the start-up team at HDFC Bank Limited. He has also worked at HSBC Markets, Citibank, KPMG and PriceWaterhouse. Mr. Miranda is currently a director of the Emerging Markets Private Equity Association and is on the Board of Governors of the Centre for Fuel Studies and Research. He chairs the Asia Cabinet of the Global Advisory Board of the Graduate School of Business, University of Chicago.

Mr. Christian Moller Laursen, 42 years, has been director of our Company since May 13, 2005. Mr. Laursen holds a masters degree in finance from the University of Aarhus, Denmark. Mr. Laursen joined AP Møller- Mærsk Group in 1990 as an economist and has held the positions of General Manager- Finance in Indonesia, Pakistan, Taiwan, Singapore and Chief Financial Officer, Latin America Region. Mr. Laursen is the Chief Financial Officer of APM Terminals B.V. and is on the board of directors of APM Terminals B.V., APM Terminals China Limited and APM Terminals Mauritius Holding Limited.

Mr. Jorgen Madsen, 62 years, has been a Director of our Company since September 11, 2007. Mr. Madsen has completed a course from CEDEP Management Center, Fontainebleu, France and Penn State University, Pennsylvania, USA. His career includes international assignments in the shipping and port industry and has previously worked with Maersk Line, Norfolk line and APM Terminals. Mr. Madsen is the president and partner of SCI Tokyo-Garavan, Chairman of Gateway Terminals, India and APM Terminals, Bahrain and is on the board of directors of South Asia Gateway, Colombo, Salalah Port Services, Oman and Aqaba Container Terminals, Aqaba, Jordan. He is also heading the Regional Office of APM Terminals covering Africa, Middle East and the Indian sub-continent.

Mr. Dinesh Kumar Lal, 56 years has been a Director of our Company since June 1, 2004. Mr. Lal is a graduate in Commerce from the Delhi University. He started his shipping career in Mackinnon Mackenzie & Co. in 1974. During the course of his career, he was actively involved in liner shipping, project cargo transport, ship manning and other aspects of shipping. He has headed shipping related business and has been actively involved on Board of Companies including Trustee of JNPT, MBPT and also various Associations at top position. Presently, Mr. Lal is the president of European Union Chambers of Commerce.

Mr. Philip Littlejohn, 54 years was appointed as the Managing Director of our Company in June 12, 2007. Mr. Littlejohn has completed various management courses at INSEAD, IMD and the London Business School. Prior to joining our Company, he was the Managing Director of Suez Canal Container Terminal, the APM Terminals transshipment hub at Port Said, Egypt, for which he had been in overall charge of planning, building and operation. He has been in various positions with the A.P. Møller-Mærsk Group, mainly engaged in the container transport side which includes five years in Mumbai in the nineteen eighties. His other postings have been in North America, the Far East and Western as well as Eastern Europe.

Relationship between our Directors

None of our Directors are related to each other:

Details of Appointment of the Managing Director

Mr. Philip Littlejohn was appointed as the Managing Director of our Company by a resolution of the Board dated June 12, 2007 and resolution of the shareholders dated August 13, 2007.

In terms of the letter of appointment dated May 27, 2007 Mr. Philip Littlejohn shall be entitled to the following perquisites:

i) Rent for an adequate partly furnished accommodation at the choice of the Company;
ii) A car of the choice of the Company including all running expenses of the same;
iii) Club membership;
iv) Medical expenses for the entire family;
v) Moving costs;
vi) A one time relocation allowance;
vii) Home leave and Rest and Recreation including airfare;

viii) Language tuition fees;
ix) Storage of personal effects; and
x) School fees.

During the period from April 2007 to March 2008 Mr. Philip Littlejohn was paid a gross compensation of Rs. 12,649,118.

Changes in our Board of Directors in the last three years

The changes in the Board of Directors in the last three years are as follows:

Name of Director	Date	Reason
Mr. Johan Herman Van Kerkhof	November 10, 2005	Appointed as Non-Executive Director
Mr. Luis Miranda	November 10, 2005	Appointed as Non-Executive Director
Mr. Rajeeva Sinha	November 10, 2005	Appointed as Managing Director
Mr. Darius Pandole	November 10, 2005	Resigned
Mr. Sunil Chawla	September 22, 2006	Appointed as Non-Executive Director
Mr. Rajeev Thakore	September 22, 2006	Resigned
Mr. Tiemen Meester	March 23, 2007	Appointed as Non-Executive Director
Mr. Jack Helton	March 23, 2007	Resigned
Mr. Hariharan Iyer	March 23, 2007	Ceases to be Alternate Director to Mr. Jack Helton
Mr. Philip Littlejohn	June 12, 2007	Appointed as Managing Director
Mr. Krishan Sehgal	June 27, 2007	Resigned
Mr. Philip Garling	June 27, 2007	Appointed as Non-Executive Director
Mr. S. Venkatesh	June 27, 2007	Appointed as Alternate Director to Mr. Philip Garling
Mr. Jorgen Hammelsvang Madsen	September 11, 2007	Appointed as Non-Executive Director
Mr. Tiemen Meester	September 11, 2007	Resigned
Mr. Rajeeva Sinha	June 8, 2007	Resignations as Managing Director
Mr. Philip Garling	March 17, 2008	Resigned
Mr. S. Venkatesh	March 17, 2008	Ceases to be Alternate Director to Mr. Philip Garling
Mr. Anoop Seth	March 17, 2008	Appointed as Non- Executive Director
Mr. H. K. Dash, IAS	June 4, 2008	Resigned
Mr. Per Jorgensen	August 29, 2008	Appointed as Additional Director
Mr. Pravin Laheri, IAS	August 29, 2008	Appointed as Additional Director
Mr. Anoop Seth	September 10, 2008	Resigned
Mr. Sunil Chawla	September 10, 2008	Resigned
Mr. Johan Herman Van Kerkhof	September 10, 2008	Resigned

Name of Director	Date	Reason
Mr. Hans-Ole Madsen	September 10, 2008	Resigned
Mr. Atanu Chakraborty, IAS	September 10, 2008	Appointed as Additional Director

Shareholding of Directors in the Company

None of the Directors hold any shares in the Company

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of commission and/or other remuneration and reimbursement of expenses payable to them, if any, under our Articles of Association, and to the extent of remuneration paid to them, if any, for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them. Our Directors may be regarded as interested in the Equity Shares that may be subscribed by or allotted to them under the Employee Reservation Portion or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners or trustees, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributors in respect of the said Equity Shares.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

Except as stated in the section titled "Related Party Transactions" beginning on page 118 of this Draft Red Herring Prospectus, the Directors do not have other interest in the business of the Company.

Corporate Governance

We have complied with the requirements of the applicable regulations, including the listing agreement with the Stock Exchanges and the SEBI Guidelines, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

The Board has nine Directors, out of which three are Independent Directors. The Chairman of the Board is a non-executive director, is not a Promoter of the Company and is also not related to the other directors on the Board.

Committees of the Board of Directors

A) Audit Committee

The members of the Audit Committee are:
1) Mr. Per Jorgensen, Independent Director;
2) Mr. Pravin Laheri, IAS, Independent Director; and
3) Mr. Christian Moller Laursen, Non-Executive Director.

The Chairman of the Audit Committee is Mr. Per Jorgensen. The Company Secretary, Mr. Manish Agnihotri, is the secretary of the Audit Committee.

The Audit Committee was re-constituted by a meeting of the Board held on September 10, 2008. The scope and functions of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information;

2. Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee;

3. Approval of payments to the statutory auditors for any other services rendered by them;

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions; and
    vii. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

8. Discussion with internal auditors any significant findings and follow up there on;

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

13. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor;

14. To meet the Auditors in the absence of management representatives; and

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee shall include the power:

1. To investigate activity within its terms of reference;
2. To seek information from any employees;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B) Remuneration Committee

The members of the Remuneration Committee are:

1) Mr. Per Jorgensen, Independent Director;
2) Mr. Jorgen Madsen, Non-Executive Director; and
3) Mr. Luis Miranda, Non-Executive Director.

The Chairman of the Remuneration Committee is Mr. Per Jorgensen. The Company Secretary, Mr. Manish Agnihotri, is the secretary of the Remuneration Committee.

The Remuneration Committee was reconstituted by a meeting of the Board held on September 10, 2008. The terms of reference of the Compensation Committee are as follows:

1. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
   i. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
   ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
2. Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.
3. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines.
4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

C) Shareholders'/Investors' Grievance Committee

The members of the Shareholders'/Investors' Grievance Committee are:

1) Mr. Pravin Laheri, IAS, Independent Director; and
2) Mr. Luis Miranda, Non-Executive Director.

The Chairman of the Shareholders'/Investors' Grievance Committee is Mr. Pravin Laheri, IAS. The Company Secretary, Mr. Manish Agnihotri, is the secretary of the Shareholders'/Investors' Grievance Committee.

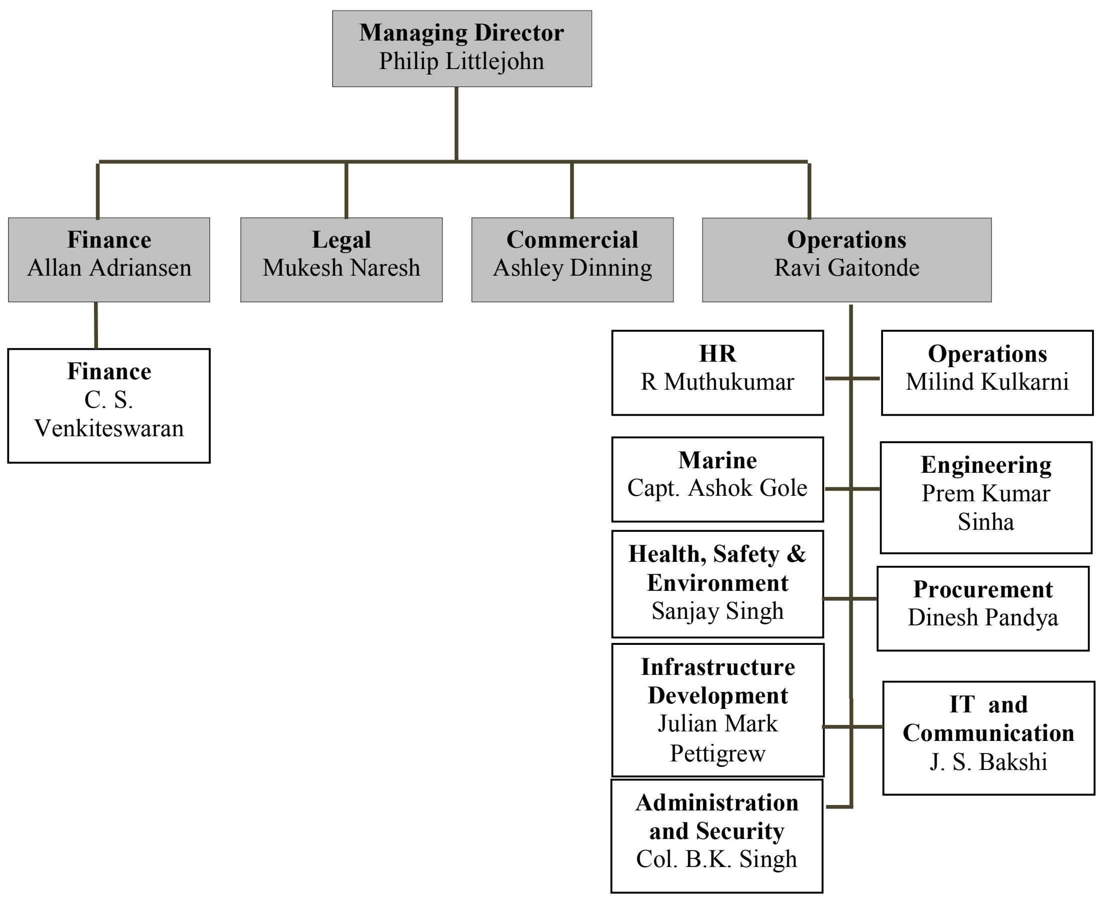
The Shareholders'/Investors' Grievance Committee was constituted by a meeting of the Board held on September 10, 2008. The Shareholders'/Investors' Grievance Committee is responsible for carrying out such functions for the redressal of shareholders' and investors' complaints, including but not limited to transfer of shares, non-receipt of balance sheet, non-receipt of dividends and any other grievance that a shareholder or investor of the Company may have against the Company.

Borrowing Powers of our Board

In terms of our Articles, the Board may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. However, if the moneys sought to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) should exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board is required to obtain the consent of the Company in general meeting prior to undertaking such borrowing.

Pursuant to an Annual General Meeting resolution dated January 6, 2004 passed by the shareholders of the Company in accordance with the provisions of the Companies Act, the Board has been authorised to borrow moneys (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) from banks, financial institutions, NBFCs, from time to time, for the purpose of Company's business upto an aggregate amount of Rs. 15,000 million.

Management Organisation Structure



Key Managerial Personnel

The details regarding our Key Managerial Personnel are as follows:

For a profile of Mr. Philip Littlejohn, our Managing Director, see page 99 of the Draft Red Herring

Prospectus.

Mr. Allan Adriansen, aged 50 years, is the Chief Financial Officer of our Company. He holds a master's degree in accounting as well as a master's degree in organization from the Copenhagen Business School. He has also completed a course including final examination on company law by Bender – von Haller – Dragsted as well as courses/seminars on International Financial Reporting Standards, transfer pricing, Danish and international taxes, management courses/training by Right Management, Copenhagen and project management for managers from the Danish Leadership Institute. He has an overall experience of 26 years in field of financial management and project management. Prior to joining the Company on November 17, 2007, he worked with Euro-Center Holding A/S, Kieler Architects A/S and Euro-Alarm A/S as the chief financial officer, with DANIDA (Danish Ministry of Foreign Affairs, Denmark) as a financial adviser with Rambøll A/S, Carl Bro International A/S and COWI A/S as financial controller and OC Consulting Engineers as an economist. During the period April 2007 to March 2008, Mr. Allan Adriansen was paid a gross compensation of Rs. 5,076,069.

Mr. Mukesh K. Naresh, aged 51 years, is the Vice President (Legal – Commercial) of our Company. He holds a bachelor's degree in science from Lucknow University, a master's degree in business administration from Bhopal University and is also a law graduate. He joined the Company on January 7, 2001 and has an overall experience of 29 years. Prior to joining the Company he has successfully worked in various areas of banking and handled large economic and infrastructure projects financing and implementation as in charge of Project Management Unit with Government of Madhya Pradesh. During the period April 2007 to March 2008, Mr. Mukesh K. Naresh was paid a gross compensation of Rs. 3,467,482.

Mr. Ashley Dinning, aged 48 years, is the Chief Commercial Officer of our Company. He holds an advanced certificate in transport operations from Royal Melbourne Institute of Technology, Melbourne, Australia. He has been awarded industry awards for Logistics & Business Law subjects during tertiary studies and also the industry award for Physical Distribution during tertiary studies. He joined the Company on January 25, 2008 and has 30 years of experience in ports, shipping and transport industries. Prior to joining the Company he worked as General Manager, Business Development with Port of Melbourne and Port of Brisbane. He is also experienced in the area of business development in the rail freight industry in Australia. During the period April 2007 to March 2008 Mr. Ashley Dinning was paid a gross compensation of Rs. 3,166,426.

Mr. Ravi Gaitonde, aged 49 years, is the Chief Operating Officer of our Company. He holds a bachelor's degree in commerce from Mumbai University. He has over 27 years experience in the shipping industry. Mr. Gaitonde started his career in shipping as a management trainee with Dempo Steamships Limited in 1981 and joined the erstwhile agents of Maersk Line, M/s Gokak Patel Volkart, in 1985. He joined Maersk India Private Limited in 1990 and was the General Manager Operations and Projects till 1994 when he was posted to Dubai as the Assistant General Manager responsible for UAE and Qatar. In 2001, he was appointed the Managing Director of Maersk Tanzania Limited. In 2003, he moved back to India as Managing Director of Star Track Terminals Private Limited to set up a greenfield project and operate the container freight station in North India. On successful completion and implementation of the project, Ravi moved back to the Maersk India head office in Mumbai as Head of Projects for India. In early 2007 he was appointed as the Managing Director in India for M/s Hastings Trading e Servicos Lda, Portugal which has diverse interests in India including Retail, Hospitality, Logistics, Entertainment and Telecom. Mr. Gaitonde joined our Company on February 11, 2008. During the period April 2007 to March 2008, Mr. Ravi Gaitonde was paid a gross compensation of Rs. 1,245,366.

Mr. C. S. Venkiteswaran, aged 50 years, is the Finance Controller of our Company. He holds a bachelor's degree in commerce from Kerala University, an Associate Member of the Institute of Chartered Accountants of India and Associate Member of the Institute of Company Secretaries of India. He has over 25 years of post qualification experience in handling all aspects of financial management and secretarial functions of reputed companies in India. Prior to joining the Company on November 26, 2001 he held the position of Vice President Finance and Company Secretary with TTK Maersk Medical Limited for a period of approximately 5 years. He has work experience in other manufacturing organizations such as GTN Textiles Ltd as General Manager Finance and Company Secretary and as Manager Mill Accounts at ITC Bhadrachalam Paperboards Limited. Prior to the appointment of Mr. Allan Adriansen as the Chief Financial Officer of our Company in November 2007, Mr. Venkiteswaran was heading the finance and accounting functions of our Company for a period of around three years. During the period April 2007 to March 2008, Mr. Venkiteswaran was paid a gross compensation of Rs. 4,504,120.

Mr. R. Muthu Kumar, aged 41 years, is head of the human resources department of our Company. He holds a masters of business administration from Mohanlal Sukhadia University, Udaipur, a bachelors degree in commerce from J N Vyas University, Jodhpur, a post graduate diploma in Personnel Management and Industrial Relations from Symbiosis Institute of Management Studies, Pune, post graduate diploma in Tourism and Hotel Management from JN Vyas University and a post graduate diploma in Personnel Management from Military College of Electrical and Mechanical Engineering, India Army. He began his career in the Indian army as a Commissioned Officer and was thereafter associated with various organizations. Prior to joining our Company he was employed with Seaways Shipping Limited. He joined our Company on May 16, 2008. He has overall experience of 18 years. Mr. Muthu Kumar was not an employee of the Company during the period April 2007 to March 2008.

Mr. Milind Kulkarni, aged 50 years, is the head of operations of our Company responsible for container and bulk operations at Pipavav Port. He is a Chartered Accountant and holds a master's degree in commerce from the Pune University. He joined our Company on July 1, 2008. He has 25 years experience in the port and shipping industry. He began his career with Bombay Port Trust Mumbai in 1983 and joined Maersk India in 1993. He later worked with Maersk Angola Lda. Luanda as Director Operations. Mr. Milind Kulkarni was not an employee of the Company during the period April 2007 to March 2008.

Capt. Ashok Gole, aged 58 years, is the Harbour Master and manages the marine operations of Pipavav Port. He completed his training from Training Ship DUFFERIN and holds Certificate of Competency as MASTER Foreign Going issued by Government of India. He began his career in merchant navy in 1970 and worked as a port manager since 1998. He has an overall experience of 38 years out of which 10 years were in port management. He joined the company on September 1, 2004. During the period April 2007 to March 2008, Capt. Gole was paid a gross compensation of Rs.2,675,741.

Mr. Prem Kumar Sinha, aged 52 years, is head of the engineering department of our Company. He holds a bachelor's degree in engineering (mechanical) from Regional Engineering College, Rourkela, a degree in marine engineering from Marine Mercantile Department, Ministry of Shipping, Mumbai and a certificate in business management from Indian Institute of Management, Calcutta. He joined the Company on June 2, 2008. He has an experience of 15 years in the shipping industry and an overall experience of 30 years. He started his career with the Indian Navy and joined merchant shipping in 2002. Thereafter, he joined APM Singapore in the year 2000. Mr. Prem Kumar Sinha was not an employee of the Company during the period April 2007 to March 2008.

Mr. Sanjay Singh, aged 37 years, is the Manager, Health, Safety and Environment of our Company. He holds a bachelor's degree in science from Mumbai University and a diploma in fire engineering from the National Institute of Fire Engineering. He has overall experience of 14 years and joined our Company on April 25, 2001. He began his career with Rajshi Constructions, Mumbai and later worked with Novel Indian Services Private Limited, Mumbai. During the period April 2007 to March 2008, Mr. Sanjay Singh was paid a gross compensation of Rs. 584,047.

Mr. Dinesh J. Pandya, aged 39 years, is the head of procurement department of our Company. He holds a bachelor's degree in Commerce from Somnath College. He joined the Company on July 1, 1999. He has an experience of 9 years in the shipping industry and an overall experience of 14 years. Prior to joining the Company he has worked in the production unit of Indian Rayon and Industries Limited. During the period April 2007 to March 2008, Mr. Dinesh J. Pandya was paid a gross compensation of Rs. 717,515.

Mr. Julian-Mark Pettigrew, aged 45 years, is the Project Implementation Manager of our Company. He holds a diploma in Cadec System Fleet Management from CADEC Systems Limited, Londonderry, NH, an advanced diploma in programming and systems design (honors) from CDI College of Business and Technology, Halifax, NS, a management development certificate in employee relations from Atlantic Management Training Center, Halifax, NS and a bachelor of arts. He has an overall experience of 18 years consisting of 6 years of experience in the shipping industry. He joined our Company on May 16, 2006. Prior to joining the Company he worked with Nova Scotia Community College, Halifax, NS as a system design instructor, Russel Metals – Halifax,NS as Logistics and Fleet Co-ordinator, Canadian National Express-Dartmouth, NS as Logistics Operations Manager, Toyota Motor Manufacturing (UK)-Burnaston as Customs and Logistics Specialist and Thompson-Jewitt International - Sutton-in-Ashfield, UK as Customs Manager. During the period April 2007 to March 2008, Mr. Julian Mark Pettigrew was paid a gross compensation of Rs. 10,172,840.

Mr. Jaspal Singh Bakshi, aged 49 years, heads the Information Technology and Communications department of our Company. He holds a bachelor's degree in science (physics), master's degree in science (electronics) and masters of philosophy in physics from the Delhi University. He also holds a pre-PhD (computer science) and Master of Technology in (computer science) from the Delhi University and Institute of Electronics and Tele-communicationEngineers, Delhi, respectively. He is a University Grants Commission Scholarship holder in both master in philosophy and Pre-PhD. He joined the Company on February 27, 2002. He has an experience of 6 years in the shipping industry and an overall experience of 22 years. Prior to joining the Company he worked with Omax Info Systems as chief executive officer cum CIO, LG Electronics as deputy general manager (IT), Continental Carriers as assistant general manager (IT), Apollo Tyres as senior manager (IT), Jagsonpal Pharmaceuticals as manager, Paharpur Cooling Towers as systems analyst and as a lecturer in the University of Delhi. During the period April 2007 to March 2008, Mr. Jaspal Singh Bakshi was paid a gross compensation of Rs. 3,911,733.

Col. Brijesh Kumar Singh, aged 41 years, heads the Administration and Security department of our Company. He holds a bachelor's degree from Jawaharlal Nehru University while he was in the National Defence Academy and a master's degree in science (defence studies) from the Defence Services Staff College. He started his career in the army in June 1987 and was awarded the Army Chief Commendation Card and three Army Commander Commendation Cards. He joined the Company on July 11, 2008. He has an overall experience of 21 years and an experience of 2 months in the shipping industry. Col. B. K. Singh was not an employee of the Company during the period April 2007 to March 2008.

Other than Mr. Allan Adriansen, Mr. Ashley Dinning and Julian Mark Pettigrew who have been seconded from APM Terminals B.V. all our key managerial personnel are permanent employees of our Company.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

There is no separate bonus of profit sharing plan for key managerial personnel. However, certain of our employees are eligible, under the terms of their employment, to fixed incentives.

Changes in Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of Joining	Date of cessation
Mr. Henrik Christensen	Chief Operating Officer	October 6,2003	February 9, 2006
Mr. Rajendra R. Ranjane	Head – Planning and Development	August 16, 2006	July 12, 2007
Mr. Rajeeva Sinha	Managing Director	October 18, 2005	June 7, 2007
Capt. Sriram Ravi	Vice President - Operations	June 1, 2002	June 18, 2007
Mr. Brian Fuggle	Chief Operating Officer	January 18, 2006	April 11, 2008
Capt. Sandeep Sharma	General Manager - Engineering	May 20, 2005	April 30, 2008
Mr. Bhupen Parekh	President – Marketing	January 12, 1998	July 31, 2008
Mr. Deepak Katiyar	Head – Human Resource	June 1, 2006	July 2, 2008
Mr. Julian Mark Pettigrew	Project Implementation Manager	May 16, 2006	-
Mr. Philip Littlejohn	Managing Director	May 27, 2007	-
Mr. Allan Adriansen	Chief Financial Officer	November 17, 2007	-
Mr. Ashley Dinning	Chief Commercial Officer	January 25, 2008	-
Mr. Ravi Gaitonde	Chief Operating Officer	February 11, 2008	-
Mr. R. Muthu Kumar	Head – Human Resource	May 16, 2008	-
Mr. Prem Kumar Sinha	Head – Engineering	June 2, 2008	-
Mr. Milind Kulkarni	Head – Operations	July 1, 2008	-
Col. Brijesh Kumar Singh	Head - Administration and Security	July 11, 2008	-

Shareholding of the Key Managerial Personnel

None of the Key Managerial Personnel hold shares in the Company.

Payment or Benefit to officers of the Company

Except as stated otherwise in this Draft Red Herring Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of the Company's employees including the Key Managerial Personnel and our Directors. None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of the Company.

Interests of Key Managerial Personnel

Our key managerial personnel are interested in the Company to the extent of compensation payable for services rendered. Our key managerial personnel may be regarded as interested in the Equity Shares that may be subscribed by or allotted to them under the Employee Reservation Portion. All of our key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributors in respect of the said Equity Shares.

OUR PROMOTERS

The Promoters of our Company are:

1. APM Terminals B.V.;
2. APM Terminals Mauritius Holding Limited; and
3. APM Terminals Mauritius Limited.

1. APM Terminals B.V.

APM Terminals B.V. was incorporated on August 10, 2007 under the laws of The Netherlands. The registered office of APM Terminals B.V. is located at Anna van Saksenlaan 71, 2593 HW, The Hague, The Netherlands.

APM Terminals B.V. is a 100% owned subsidiary of Maersk Holding B.V., which is a 100% owned subsidiary of A.P. Møller – Mærsk A/S, a Danish corporation listed on the OMX Nordic Exchange, Copenhagen.

Principal Business of APM Terminals B.V.

APM Terminals B.V. is involved in the business of operating and managing container terminal around the world.

History of APM Terminals B.V.

The container terminal activity of the A.P. Møller - Mærsk Group started around 1970 as a part of the liner shipping business, which is currently trading under the name of Maersk Line. At that time, the A.P. Møller - Mærsk Group was represented by two parent companies: Dampskibsselskabet af 1912 and Dampskibsselskabet Svendborg.

In 1999, the portfolio of container terminals increased significantly through Maersk Line's acquisition of the US based liner shipping company, Sea-Land. Sea-Land had a number of container terminals within its asset portfolio and after the acquisition the container terminal activities were combined and organised in a separate business unit, which in 2001 was named APM Terminals.

Since the acquisition of Sea-Land, APM Terminals has grown significantly, mainly via organic growth, but also through the A.P. Møller – Mærsk Group's additional acquisition of the P&O Nedlloyd Group in 2005. Currently, APM Terminals is one of the largest container terminal operator in the world, operating more than 50 terminals globally, with headquarters in The Hague, The Netherlands.

The container terminal portfolio in APM Terminals has been owned directly or indirectly through holding companies within the A.P. Møller – Mærsk Group in a number of different countries. In mid 2006, the A. P. Møller - Mærsk Group decided to restructure the entire container terminal portfolio within the group with the purpose of gathering all terminal companies under one global terminal holding company in The Netherlands called APM Terminals B.V.

The global restructuring is scheduled to be finalised in 2009 and at currently more than half of APM Terminals' terminals worldwide have been transferred to APM Terminals B.V.

The directors of APM Terminals B.V. are:

1. Mr. S. T. Sørensen;
2. Mr. P. Søndergaard;
3. Mr. C. M. Laursen;
4. Mr. K. Fejfer; and
5. Mr. N.S. Andersen.

Shareholding pattern of APM Terminals B.V.:

Name of shareholder	Number of Shares	Percentage

Name of shareholder	Number of Shares	Percentage
Maersk Holding B.V.*	675,000,000	100.00

* Maersk Holding B.V. is 100% owned by A.P. Møller – Mærsk A/S

Financial Performance of APM Terminals B.V.

APM Terminals B.V. was incorporated on August 10, 2007 and follows a financial year commencing on January 1 of each year and ending on December 31 of the same year. The historical financial information of APM Terminals B.V. for a full financial year is not available. The following table sets forth information on APM Terminals' total activities (as a division of A.P. Møller-Mærsk A/S) as reported in the annual accounts of A.P. Møller-Mærsk A/S.

(USD in million)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Total Income	2,519.00	2,065.00	1,504.00
Profit for the year	111.00	99.00	75.00

Other Information

The Bank account and registration details of APM Terminals B.V. shall be submitted to the BSE and NSE at the time of filing of this Draft Red Herring Prospectus with them.

There has been no change in the management of APM Terminals B.V. since its incorporation.

APM Terminals B.V. is an unlisted company.

APM Terminals B.V. is not under dissolution or winding up.

Companies with which the promoters have disassociated in the last three years:

APM Terminals B.V. has not dissociated with any company in the preceding three years of filing of the Draft Red Herring Prospectus.

Interests of Promoter in the Company

Except as stated in "Related Party Transactions" on page 118 of this Draft Red Herring Prospectus, and to the extent of its indirect shareholding in the Company, APM Terminals B.V. does not have any other interest in the Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, APM Terminals B.V. does not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

2. APM Terminals Mauritius Holdings Limited

APM Terminals Mauritius Holding Limited was incorporated on July 28, 2008 under the laws of Mauritius. The registered office of APM Terminals Mauritius Holding Limited is located at Manor House, 1st Floor, Cnr. St. George/Chazal Streets, Port Louis, Mauritius.

Principal Business of APM Terminals Mauritius Holding Limited

APM Terminals Mauritius Holding Limited is involved in the business of acting as an investment holding company.

History of APM Terminals Mauritius Holding Limited

APM Terminals Mauritius Holding Limited was established as a holding company governed under the Financial Services Act 2007 (FSA) and the Companies Act 2001. It is a Category 1 Global Business Licence Company, previously known as an Offshore Company, which is a Mauritian entity holding a valid global business licence and carrying on an approved qualified global business activity (outside of Mauritius) as permitted by the FSA.

The directors of APM Terminals Mauritius Holding Limited are:

1 Mr. Jorgen Hammelsvang Madsen;
2 Mr. Christian Moller Laursen;
3 Mr. Sharmil Shah; and
4 Mr. Dhanun Ujoodha.

Shareholding pattern of APM Terminals Mauritius Holding Limited

Name of shareholder	Number of Shares	Percentage
APM Terminals B.V.*	30,549,351	100.00

* APM Terminals B.V. is 100% owned by Maersk Holding B.V.

Financial Performance of APM Terminals Mauritius Holding Limited

APM Terminals Mauritius Holding Limited was incorporated on July 28, 2008 and has no financial results to report as at the date of this Draft Red Herring Prospectus.

Other Information

The Bank account and registration details of APM Terminals Mauritius Holding Limited shall be submitted to the BSE and NSE at the time of filing of this Draft Red Herring Prospectus with them.

There has been no change in the management of APM Terminals Mauritius Holding Limited since its incorporation.

APM Terminals Mauritius Holding Limited is an unlisted company.

APM Terminals Mauritius Holding Limited is not under dissolution or winding up.

Companies with which the promoters have disassociated in the last three years:

APM Terminals Mauritius Holding Limited has not dissociated with any company in the preceding three years of filing of the Draft Red Herring Prospectus

Interests of Promoter in the Company

Except as stated in "Related Party Transactions" on page 118 of this Draft Red Herring Prospectus, and to the extent of the indirect shareholding in the Company, APM Terminals Mauritius Holding Limited does not have any other interest in the Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, APM Terminals Mauritius Holding Limited does not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

3. APM Terminals Mauritius Limited

APM Terminals Mauritius Limited was incorporated on July 9, 2004 under the laws of Mauritius. The registered office of APM Terminals Limited is located at Manor House, 1st Floor, Cnr. St. George/Chazal Streets, Port Louis, Mauritius.

Principal Business of APM Terminals Mauritius Limited

APM Terminals Mauritius Limited is involved in the business of investment in Indian port and terminal companies.

History of APM Terminals Mauritius Limited

APM Terminals Mauritius Limited was established as a holding company governed under the Financial Services Act 2007 (FSA) and the Companies Act 2001. It is a Category 1 Global Business Licence Company (GBC1), previously known as an Offshore Company, which is a Mauritian entity holding a valid global business licence and carrying on an approved qualified global business activity (outside of Mauritius) as permitted by the FSA. A GBC1 falls under the supervision and monitoring of the Mauritius Financial Services Commission (FSC).

The directors of APM Terminals Mauritius Limited are:

1. Mr. Jayechund Jingree;
2. Mr. Sushil Kumar Jogoo;
3. Mr. Peder Søndergaard; and
4. Mr. Hans-Ole Madsen.

Shareholding pattern of APM Terminals Mauritius Limited

Name of shareholder	Number of Shares	Percentage
APM Terminals Mauritius Holding Limited	30,549,349	100.00

* APM Terminals Mauritius Holding Limited is 100% owned by APM Terminals B.V.

Financial Performance of APM Terminals Mauritius Limited

(USD, except share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Equity Capital	30,549,359	30,549,349	2
Reserves and Surplus (excluding revaluation reserves)	(17,628,375)	(9,621,196)	(2,813,920)
Total Income	3,310,705	-	3,240
Profit/ (loss) after tax	(8,007,179)	(6,807,279)	(2,806,745)
Earning Per Share	0.262	0.223	(1,403,372)
Book Value per Share (Net Asset Value)	0.423	0.685	13,867,714

Other Information

The Bank account and registration details of APM Terminals Mauritius Limited shall be submitted to the BSE and NSE at the time of filing of this Draft Red Herring Prospectus with them.

There has been no change in the management of APM Terminals Mauritius Limited since its incorporation.

APM Terminals Mauritius Limited is an unlisted company.

APM Terminals Mauritius Limited is not under dissolution or winding up.

Companies with which the promoters have disassociated in the last three years:

APM Terminals Mauritius Limited has not dissociated with any company in the preceding three years of filing of the Draft Red Herring Prospectus

Interests of Promoter in the Company

Except as stated in "Related Party Transactions" on page 118 of this Draft Red Herring Prospectus, and to the extent of shareholding in the Company, APM Terminals Mauritius Limited does not have any other interest in the Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, APM Terminals Mauritius Limited does not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

OUR PROMOTER GROUP

Apart from our Promoters, the following Companies constitute our Promoter Group:

1. A. P. Møller – Mærsk A/S;
2. Maersk Holding B.V.; and
2. Gateway Terminals India Private Limited.

1. A. P. Møller – Mærsk A/S

A. P. Møller – Mærsk A/S was incorporated on April 16, 1904 under the laws of Denmark. The registered office of A. P. Møller – Mærsk A/S is located at 50 Esplanaden, 1098 Copenhagen K, Denmark.

Principal Business of A. P. Møller – Mærsk A/S

The A.P. Møller Mærsk Group is engaged, inter alia, in the following activities:

- Container shipping and related activities such as logistics;
- Terminal activities;
- Tankers, LNG, offshore and other shipping activities;
- Towage, salvage and offshore supply ship services;
- Oil and gas activities;
- Retail activity; and
- Shipyard and other industrial companies.

History of A. P. Møller – Mærsk A/S

A.P. Møller – Mærsk A/S came into existence following the merger of "Aktieselskabet Dampskibsselskabet Svendborg" and "Dampskibsselskabet af 1912 Aktieselskab" in the year 2003. After the merger "Aktieselskabet Dampskibsselskabet Svendborg" was the continuing company and changed its name into "A.P. Møller – Mærsk A/S". A.P. Møller – Mærsk A/S is the ultimate parent and holding company of all the business activities within the A.P. Møller – Mærsk Group of companies.

The directors of A. P. Møller – Mærsk A/S are:

1. Mr. Michael Pram Rasmussen;
2. Mr. Poul Johan Svanholm;
3. Ms. Ane Mærsk Mc-Kinney Uggla;
4. Sir John Bond;
5. Mr. Niels Jakobsen;
6. Mr. Lars Kann-Rasmussen;
7. Mr. Jan Leschly;
8. Ms. Leise Mærsk Mc-Kinney Møller;
9. Ms. Cecille Mose Hansen;
10. Mr. Lars Pallesen;
11. Mr. John Axel Poulsen; and
12. Mr. Jan Tøpholm.

Shareholding pattern of A. P. Møller – Mærsk A/S:

The shareholders holding more than 5% of the issued share capital of A. P. Møller – Mærsk A/S are

Sr. No.	Name of the Shareholder	No. of Shares	Shareholding (%)	No. of votes	Votes (%)
1.	A. P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond	A (DKK 1,000): 297,385 B (DKK 1,000): 135,386 A (DKK 500): 70 B (DKK 500): 5	9.85	594,840	13.53
2.	A. P. Møller og Hustru Chastine Mc-Kinney	A (DKK 1,000):1,112,114 B (DKK1,000): 699,720	41.22	2,224,238	50.60

Sr. No.	Name of the Shareholder	No. of Shares	Shareholding (%)	No. of votes	Votes (%)
	Møllers Fond til Almene Formal	A (DKK 500): 10 B (DKK 500): 5			
3.	Skibsreder M. Mckinney Møller	A (DKK1,000): 142,567 B (DKK 1,000): 20,785 A (DKK 500): 5	3.72	285,025	6.48
4.	Den A. P. Møllerske Støttefond	A (DKK 1,000): 128,750 B (DKK 1,000): 614	2.94	257,500	5.86
5.	Companies within the A. P. Møller-Mærsk Group	B (DKK 1,000): 280,956 B (DKK 500): 5	6.39	0	0.00

Financial Performance of A. P. Møller-Mærsk A/S

(USD in million, except share data)

Particulars	Fiscal 2007	Fiscal 2006	Fiscal 2005
Share Capital	866.00	776.00	695.00
Total Equity (including reserves and surplus)	28,907.00	24,148.00	19,620.00
Revenue	51,218.00	43,743.00	34,843.00
Profit for the year	3,427.00	2,723.00	3,389.00
Earning Per Share	796.00	636.00	819.00
Book Value per Share (Net Asset Value)	7,026.00	5,869.00	4,768.00

Share Quotation

The shares of A. P. Møller – Mærsk A/S are listed on the OMX Nordic Exchange Copenhagen, Denmark.

A – share:

The details of the highest and the lowest price of A-shares on the OMX Nordic Exchange, Copenhagen during the preceding six months upto August 2008 are as follows:

(Amount in DKK)

Month	High	Low
March 2008	53,300	46,200
April 2008	54,500	48,400
May 2008	60,700	49,600
June 2008	60,600	55,700
July 2008	57,600	49,800
August 2008	58,500	50,100

B-share:

The details of the highest and the lowest price of B-shares on the OMX Nordic Exchange, Copenhagen during the preceding six months upto August 2008 are as follows:

(Amount in DKK)

Month	High	Low
March 2008	53,600	46,200
April 2008	55,000	48,300
May 2008	60,600	49,500
June 2008	60,700	55,600
July 2008	58,000	49,800
August 2008	58,900	50,200

On September 1, 2008 the market capitalisation of A. P. Møller – Mærsk A/S was DKK 250.50 billion based as on the closing price of DKK 57,000 per share (at par value DKK 1,000) on the OMX Nordic Exchange

Copenhagen, Denmark.

A. P. Møller – Mærsk A/S is not under dissolution or winding up.

2. Maersk Holding B.V.

Maersk Holding B.V. was incorporated on February 7, 1908 in The Netherlands. The registered office of Maersk Holding B.V. is located at Boompjes 40, 3011 XB Rotterdam, The Netherlands.

Principal Business of Maersk Holding B.V.

Maersk Holding B.V. is involved in the business of acting as a holding company.

History of Maersk Holding B.V.

Maersk Holding B.V. was established on February 7, 1908 as "N.V. Nederlandsche Scheepvaart Unie". The company has been a public company, listed at the Amsterdam stock exchange. Upon several name changes, on 16 April 2004, the company was renamed "Koninklijke P&O Nedlloyd N.V." ("Royal P&O Nedlloyd N.V.").

On February 3, 2006, A.P. Møller-Mærsk A/S acquired 100% of the shares in Maersk Holding B.V. On April 4, 2006, the company was converted from a public company into a private limited liability company and the company's name changed from Royal P&O Nedlloyd N.V. into Nedlloyd Holding B.V.. The Articles of Association of the company were amended on June 1, 2007 and the name of the company was changed to its present name, Maersk Holding B.V..

The directors of Maersk Holding B.V. are:

1. Mr. L. C. van Wachem;
2. Mr. K. Fejfer;
3. Mr. C. M. Laursen; and
4. Mr. M. J. White.

Shareholding pattern of Maersk Holding B.V.

Name of shareholder	Number of Shares	Percentage
A. P. Møller – Mærsk A/S.	40,635,752	100.00

Financial Performance of Maersk Holding B.V.

(EUR '000, except share data)

Particulars	Fiscal 2008	Fiscal 2007	Fiscal 2006
Equity Capital	40,636.00	40,636.00	40,636.00
Reserves & Surplus (Excluding Revaluation Reserve)	903,466.00	920,483.00	1,030,057.00
Total Income	0	0	0
Profit / (Loss) After Tax	(17,017)	1,388.00	(28,535)
Earning Per Share	(0.42)	0.03	(0.70)
Book Value per Share (Net Asset Value)	23.23	23.65	26.35

Maersk Holding B. V. is not under dissolution or winding up.

3. Gateway Terminals India Private Limited

Gateway Terminals India Private Limited was incorporated on July 30, 2004 under the Companies Act. The registered office of Gateway Terminals India Private Limited is located at GTI House, Jawaharlal Nehru Port, Sheva, Taluka Uran, District Raigad, Navi Mumbai – 400 707.

Principal Business of Gateway Terminals India Private Limited

Gateway Terminals India Private Limited is involved in the business of building, owning, operating, transferring, managing, planning, designing, conducting, developing, redeveloping ports, bulk terminals, container terminals, piers, wharves, docks, harbours or any other infrastructure facilities and rendering container freight services.

History of Gateway Terminals India Private Limited

Gateway Terminals India Private Limited was established as a joint venture between APM Terminals, AP Møller – Mærsk A/S and Container Corporation of India Limited. On August 10, 2004 Gateway Terminals India Private Limited signed a licence agreement with JNPT to re-develop a bulk terminal into a container terminal and commence partial operations on March 14, 2006. The container terminal development work was completed on October 30, 2006 and it was formally inaugurated on January 4, 2007.

The directors of Gateway Terminals India Private Limited are:

1. Mr. Jorgen Madsen;
2. Mr. Hans Ole Madsen;
3. Mr. Henrik Jespen;
4. Mr. Dinesh Lal;
5. Mr. Klaus Rud Sejling;
6. Mr. Philip Littlejohn;
7. Mr. Rakesh Mehrotra; and
8. Mr. Anil Kumar Gupta.

Shareholding pattern of Gateway Terminals India Private Limited

Sr. No.	Name of the Shareholder	No. of Shares held	% of shareholding
1.	APM Terminals Mauritius Limited	335,220,000	74
2.	Container Corporation of India Limited	117,780,000	26
	Total	**453,000,000**	**100**

Financial Performance of Gateway Terminals India Private Limited

(Rs. in million, except share data)

Particulars	For the year ended December 2007	For the year ended December 2006	For the year ended December 2005
Equity Share Capital	3,200.00	2,894.00	2,894.00
Reserves and Surplus (excluding revaluation reserves)	-	-	-
Total Income*	2,732.50	826.79	50.16
Profit/ (loss) after tax	(21.60)	(491.89)	(373.80)
Earning Per Share	(0.07)	(1.70)	(1.54)
Book Value per Share (Net Asset Value)	6.70	6.43	8.13

* After deduction of revenue share provided to JNPT

Gateway Terminals India Private Limited is not under dissolution or winding up.

RELATED PARTY TRANSACTIONS

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Transactions during the period / year						
Income from port services						
- Party with substantial interest & its associates	122.59	518.95	496.26	228.24	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	234.02	42.25
Rent Income						
- Party with substantial interest & its associates	-	-	2.29	-	1.04	6.13
- Enterprise significantly influenced by Key Management Personnel	-	-	0.53	2.78	1.19	-
- Fellow Subsidiary	0.12	1.83	-	-	-	-
Interest income on Loan						
- Party with substantial interest & its associates	-	-	-	-	4.81	9.29
Rent Expenses						
- Party with substantial interest & its associates	-	-	-	-	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	4.52	9.75
- Fellow Subsidiary	0.83	0.91	-	-	-	-
Interest expense on Loan						
- Holding Company	4.26	25.95	-	-	-	-
- Party with substantial interest & its associates	-	-	-	2.70	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	9.29	-
Equipment hire charges incurred						
- Party with substantial interest & its associates	-	-	9.90	7.05	1.49	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	9.66	-
- Fellow Subsidiary	-	3.00	-	-	-	-
Professional fees						
- Party with substantial interest & its associates	-	-	12.84	45.54	-	-
- Fellow Subsidiary	-	8.71	-	-	-	-
Other expenses incurred						
- Party with substantial interest & its associates	-	-	0.40	0.81	0.75	18.86
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-
- Fellow Subsidiary	2.59	8.40	-	-	-	-
- Associate	-	-	-	-	9.40	-
Prior period items						
- Party with substantial interest & its associates	-	-	-	-	9.61	-
Other recoveries						
- Party with substantial interest & its associates	-	-	0.05	-	-	12.58
- Enterprise significantly influenced by Key Management Personnel	-	-	-	0.38	-	-

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Expenses incurred on their behalf						
- Party with substantial interest & its associates	-	-	-	-	21.07	4.88
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	1.68	-
Exceptional item						
- Party with substantial interest & its associates	-	-	-	-	130.00	-
Exchange Gain						
- Party with substantial interest & its associates	-	-	0.29	0.64	-	-
Land Site development						
- Party with substantial interest & its associates	-	-	-	-	105.14	-
Transfer of Fixed Assets						
- Party with substantial interest & its associates	-	-	-	-	-	6.00
Sale of Investment						
- Party with substantial interest & its associates	-	-	-	-	-	500.00
Short term advance						
- Party with substantial interest & its associates	1.00	-	-	-	-	-
Equity contributed						
- Holding Company	-	2,481.48	-	-	-	-
- Party with substantial interest & its associates	-	-	-	98.10	570.00	-
- Fellow Subsidiary	-	35.00	-	-	-	-
Unsecured Loan						
- Holding Company	-	279.81	-	-	-	-
Loan repayment						
- Party with substantial interest & its associates	-	-	-	-	-	500.00
Short term loan						
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	285.00	-
Paid to contractors						
- Party with substantial interest & its associates	-	-	65.09	7.24	-	-
- Fellow Subsidiary	0.16	-	-	-	-	-
Claim payable						
- Associate	63.38	621.97				-
Managerial remuneration						
- Key Management Personnel	5.41	13.80	5.19	0.54	-	8.10
Closing balance						
Current account receivable						
- Party with substantial interest & its associates	7.13	2.07	44.09	23.52	220.00	301.05

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
- Enterprise significantly influenced by Key Management Personnel	-	-	-	0.09	11.33	-
- Fellow Subsidiary	0.17	0.17	-	-	-	-
- Associate	11.15	11.15	11.15	11.15	11.15	-
Current account payable						
- Holding Company	2,889.60	25.95	-	-	-	-
- Party with substantial interest & its associates	-	28.17	31.79	68.21	547.28	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	293.17	3.09
- Fellow Subsidiary	38.63	39.61	-	-	-	-
Claim payable						
- Associate	785.35	1,121.90				-
Unsecured loan						
- Holding Company	283.43	279.81	-	-	-	-
- Party with substantial interest & its associates	-	-	-	-	-	52.86

Out of the above items, transactions in excess of 10% of the total related party transactions as under:

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06
Income from Port Services			
- Maersk India Pvt Ltd- acting as agent for AP Moller-Maersk A/S	102.74	448.37	473.21
- Maersk India Pvt Ltd- acting as agent for Safmarine Container Lines N.V.	19.85	70.58	23.04
- Maersk India Private Limited	-	-	-
- Safmarine India private Limited	-	-	-
Rent Income			
- Gateway Terminals India Private Limited	-	0.50	0.53
- Maersk India Private Limited	0.12	1.33	2.29
- SKIL Infrastructure Limited	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
Interest income on loan			
- Grevek Investment and Finance Private Limited	-	-	-
- SKIL Infrastructure Limited	-	-	-
Rent paid			
- Maersk India Private Limited	0.83	0.91	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- Awaita Properties Private Limited	-	-	-
Interest expense on loan			
- APM Terminals Mauritius Limited	4.26	25.95	-
- Maersk India Private Limited	-	-	-
Equipment hire charges			
- Maersk India Private Limited	-	3.00	9.90
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
Professional fees			
- APM Terminals Management B.V.	-	8.71	12.84
- SKIL Infrastructure Limited	-	-	-
Other expenses incurred			
- APM Terminals Management B.V.	0.59	8.40	0.40
- Maersk India Private Limited	2.00	-	-
- SKIL Infrastructure Limited	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- Awaita Properties Private Limited	-	-	-
- Pipavav Railway Corporation Limited	-	-	-
Other recoveries			
- Gateway Terminals India Private Limited	-	-	0.05
- SKIL Infrastructure Limited	-	-	-
Expenses incurred on their behalf			
- SKIL Infrastructure Limited	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- Maersk India Private Limited	-	-	-
- Gateway Terminals India Private Limited	-	-	-
Exceptional item			

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
Exchange Gain			
- APM Terminals Management B.V.	-	-	0.29
Land site development			
- SKIL Infrastructure Limited	-	-	-
Transfer of Fixed Assets			
- SKIL Infrastructure Limited	-	-	-
Sale of Investment			
- SKIL Infrastructure Limited	-	-	-
Short term advance			
- SKIL Infrastructure Limited	-	-	-
Equity Contributed			
- APM Terminals Mauritius Limited	-	2,481.48	-
Unsecured Loan			
- APM Terminals Mauritius Limited	-	279.81	-
Loan repayment			
- SKIL Infrastructure Limited	-	-	-
Short term loan			
- Maersk India Private Limited	-	-	-
Paid to Contractors			
- Maersk India Private Limited	-	-	9.90
- APM Terminals Management B.V.	-	-	55.19
Managerial remuneration			
Managing Director - Mr. Philip Littlejohn	5.41	10.72	-
Managing Director - Mr. Rajeeva Sinha	-	3.08	5.19
Managing Director - Mr. Kamal Baluja	-	-	-
Claim payable			
- Pipavav Railway Corporation Limited	63.38	621.97	
Closing Balances			
Current account receivable			
- Safmarine India Pvt Limited- acting as agent for Safmarine container Lines N.V.	6.19	2.24	0.02
- Maersk India Private Limited- acting as an agents for AP Moller- Maersk A/S	-	-	44.06
- Gateway Terminals India private Limited	-	-	-
- Pipavav Railway Corporation Limited	11.15	11.15	11.15
- Grevek Investment and Finance Private Limited	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- SKIL Infrastructure Limited	-	-	-
Current account payable			
- APM Terminals Mauritius Limited	24.01	25.95	-
- Maersk India Private Limited	-	-	
- Maersk India Private Limited- acting as an agents for AP Moller- Maersk A/S	-	28.17	-
- APM Terminals Management B.V.	39.39	39.61	31.15
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- Awaita Properties Private Limited	-	-	-

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06
- SKIL Infrastructure Limited	-	-	-
Claim payable			
- Pipavav Railway Corporation Limited	785.35	1,121.90	-
Unsecured loan			
- APM Terminals Mauritius Limited	283.43	279.81	-

DIVIDEND POLICY

In respect of each financial year, the Company's profits available for distribution in respect of the relevant financial year shall be distributed to the members by way of dividends, in proportion to the amount of capital paid up on the Equity Shares held by them respectively, subject to requirements under the Companies Act and such reasonable and proper reserves being retained for working capital requirements or other liabilities and the financing needs of the Company as the Board of Directors may consider appropriate from time to time having regard to the terms and conditions of the commitment of the Company pursuant to the existing debt arrangements in accordance with the financing agreements.

Our Company has not paid any dividend in the last five fiscal years.

INDEBTEDNESS

Corporate Debt Restructuring Scheme

Our Company had outstanding borrowings of Rs. 2,985.30 million as at October 1, 2003. We were referred to the Corporate Debt Restructuring ("**CDR**") Cell for restructuring our debt under the Corporate Debt Restructuring guidelines issued by the RBI. The CDR Empowered Group approved a restructuring proposal at its meeting on October 30, 2003 which was communicated to the Company through a letter dated November 29, 2003, which was subsequently amended from time to time (the "**Restructuring Package**"). Under the Restructuring Package, our Company entered into Restructuring Agreements and Loan Agreements with the CDR lenders, being Industrial Development Bank of India, Punjab National Bank, Export Import Bank of India and Industrial Investment Bank of India Limited. As at September 16, 2008, the Company had outstanding CDR Debt (including interest) of Rs. 3,420.98 million. The details of this outstanding CDR Debt are set forth in the tables below.

Lender	Particulars of the Restructuring/Loan Agreement	Amount Restructured/Sanctioned (In Rs. Million)			Amount Outstanding as of September 16, 2008* (In Rs. Million)		
		Towards Preference Shares(1)	Rupee Term Loan(2)	FITL(3)	Towards Preference Shares(4)	Rupee Term Loan	FITL
Industrial Development Bank of India	Restructuring Agreement dated July 16, 2004 and Loan Agreement dated December 12, 2005	270.00	1,029.51	285.23	376.92	942.74	447.81
Punjab National Bank	Restructuring Agreement dated August 3, 2004 and Loan Agreement dated January 20, 2006	106.40	406.20	123.60	148.53	371.60	192.08
Industrial Investment Bank of India	Restructuring Agreement dated August 16, 2004 and Loan Agreement dated February 8, 2006	8.70	33.20	6.10	12.15	30.38	9.68
Export Import Bank of India	Restructuring Agreement dated September 6, 2004 and Loan Agreement dated January 20, 2006	132.70	506.90	154.90	185.25	463.74	240.10
Total		**517.80**	**1,975.81**	**569.83**	**722.85**	**1,808.46**	**889.67**

(1) Dividend on the Preference Shares is at the coupon rate of 1% per annum (non-cumulative). Preference Shares issued to Industrial Development Bank of India, Punjab National Bank and Industrial Investment Bank of India are redeemable in three annual instalments by December 31, 2009, December 31, 2010 and December 31, 2011. Preference Shares issued to Export Import Bank of India are redeemable in three annual instalments on December 31, 2009, December 31, 2010 and December 31, 2011.

(2) Interest on the Rupee Term Loan is payable on a quarterly basis at rate ranging from 0.25% to 16% per annum, giving an effective yield of 10.5% per annum. The Rupee Term Loans are repayable in 36 quarterly instalments from April 1, 2005.

(3) Funded Interest Term Loan is repayable during 2009, 2010 and 2011.

(4) Amount outstanding towards Preference Shares comprises of the face value and the accrued redemption premium considered upto payable as on September 16, 2008.

The CDR Empowered Group has, in its meeting held on August 22, 2008, approved the early repayment of the entire CDR Debt of the Company and the Company's exit from the CDR Scheme. The Company has received a Letter of Intent dated September 19, 2008 from Infrastructure Development Finance Company Limited to avail of a term loan for the purposes of, inter alia, repayment of the CDR Debt. For details of the terms of the term loan from Infrastructure Development Finance Company Limited see "- Letter of Intent with Infrastructure Development Finance Company Limited" on page 127 of this Draft Red Herring Prospectus.

Common Rupee Debt Agreement

The Company has entered into a loan agreement dated June 3, 2005 with Infrastructure Development Finance Company Limited, Housing Development Finance Company Limited, HDFC Bank Limited and Union Bank of India for an amount of Rs. 5,962.58 million. The details of this loan agreement are set forth in the table below.

<table>
<tr><th>Sr. No.</th><th>Lender</th><th>Amount Sanctioned (In Rs. Million)</th><th>Amount outstanding as of September 16, 2008* (In Rs. Million)</th><th>Interest and Repayment</th></tr>
<tr><td>1.</td><td>Infrastructure Development Finance Company Limited</td><td>4,462.58</td><td>2399.69</td><td rowspan="4">Monthly interest at the rate of 2.749% p.a. plus the weighted average of the benchmark rates (being the yield of five year Government of India Securities) for all the tranches.

Repayment in 108 monthly instalments starting from April 15, 2007</td></tr>
<tr><td>2.</td><td>Housing Development Finance Corporation Limited</td><td>500.00</td><td>359.52</td></tr>
<tr><td>3.</td><td>HDFC Bank Limited</td><td>500.00</td><td>359.55</td></tr>
<tr><td>4.</td><td>Union Bank of India</td><td>500.00</td><td>359.55</td></tr>
<tr><td></td><td>Total</td><td>5,962.58</td><td>3,478.31</td><td></td></tr>
</table>

Security

The debt of the Company comprising of the Restructuring Agreements, FITL and the Common Rupee Debt Agreement is secured in the following manner:

(i) by way of first mortgage, on pari passu basis, of the entire immovable properties of the Company, both present and future, situated at Pipavav Port and hypothecation of all the Company's movables including movable plant and machinery, machinery spares and stores, tools and accessories, both present and future, subject to prior charges in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and books debts and other movables towards working capital facilities.

(ii) by pledge of shares held by APM Terminals Mauritius Limited, to the extent of 26% of the equity share capital of the Company.

(iii) Infrastructure Development Finance Company Limited, holds the aforesaid security mentioned in (i) and (ii) above for itself and on behalf of other existing and new lenders by way of Security Trustee and Lenders Agent.

In terms of the Restructuring Agreement Industrial Development Bank of India has nominated a Director on the Board of the Company. Further, in terms of the Common Rupee Debt Agreement, Infrastructure Development Finance Company Limited has the right to appoint a nominee director, which has currently not been exercised by Infrastructure Development Finance Company Limited.

Corporate Actions

The Company, in terms of the Restructuring Agreements, FITL and the Common Rupee Debt Loan, is required the prior written approval of the Lenders for certain corporate actons, including, the shareholding pattern, voluntary winding up, liquidation, dissolution, merger, consolidation, reorganisation, scheme of arrangement or compromise with its creditors or shareholders, convey, sell, lease or otherwise dispose of or mortgage all or any part of the port assets, create any subsidiaries, change of name or registered office, issue any debentures, raise any loans, accept deposits from public and alter the capital structure

Further, the Company is required to take the prior written approval of the lenders for undertaking other actions such undertake any project that requires additional investment for which prior approval of the GMB is required, enter into agreements for sub-concession of rights under the Concession Agreement with GMB and GoG, declare or make any payments or distributions other than dividend and redemption of Preference Shares, pay any fees to the AP Møller-Mærsk Group, except fees payable to APM Terminals Mauritius Limited under the offshore support services agreement and engage in a business other than the port project or undertake any new project, diversification, modernisation or substantial expansion of the port project,

Proposed refinancing of debt of the Company

The CDR empowered group at its meeting held on August 22, 2008 has approved the proposed restructuring of debt of the Company under the CDR system. The proposal of the Company of early repayment of the entire CDR debt including redemption of the Preference Shares was approved. The CDR empowered group also granted its no objection to the Company to raise further equity capital by way of an IPO to part finance the capital expenditure requirements of the Company and exit from CDR system upon payment of 0.03% as one time fee on outstanding amount.

Letter of Intent from Infrastructure Development Finance Company Limited

The Company has received a letter of intent dated September 19, 2008 from Infrastructure Development Finance Company Limited ("**IDFC**") in terms of which IDFC has agreed to underwrite a senior secured debt of Rs. 10,000 million and syndicate a debt of Rs. 2,000 million, subject to fulfillment of certain conditions precedent. The proceeds of the loan shall be utilised solely for the following purposes:

a) expansion and modification activities at the Port;
b) refinancing the existing debt availed by the Company, including the CDR debt and any short term loans availed by the Company to repay the CDR debt;
c) financing the expenses associated with raising the loan;
d) funding the net cash losses; and
e) funding the debt service and operation and maintenance reserve requirements.

The key terms and conditions of the letter of intent are as follows:

1. The rate of interest payable on the principal amount of the loan shall be equivalent to 2.5% per annum above the IDFC bench-mark rate prevailing on the date of each disbursement, payable monthly. If the Company defaults in the payment of interest, liquidated damages or any other monies that are outstanding, a further interest of 2% per annum shall be payable by the Company. Further, disbursement of the loan pending creation of the entire security shall carry additional interest at 1% per annum from the date of first disbursement until the creation of security.

2. The Company has to drawdown the entire amount of the loan on or prior to March 31, 2010.

4. In case of default of payment of the principal amount of the loan, the interest or any other amounts due, the Company shall pay liquidated damages of 2% per annum for the period of default. Any arrears in payment of the liquidated damages shall carry a further interest at the rate of 2% per annum over and above the applicable interest rate.

5. The loan shall be repaid in 48 structured quarterly installments commencing from the expiry of three years from the date of first disbursement.

6. Any prepayment by the Company is subject to prepayment premium equal to 2% of the amount prepaid or as per the formula provided in the letter of intent. Further, the Company is required to mandatorily prepay the amount of the Loan in full or part, without payment of any prepayment premium, from the proceeds of any amount exceeding Rs.100 million received by or on behalf of the Company from the occurrence of certain events as mentioned in the Letter of Intent.

7. The loan shall be secured by the following security interest:

   (i) a first mortgage and charge of all the Company's project assets, including the immovable properties;

   (ii) a first charge by way of hypothecation of all the Company's project assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets;

   (iii) a first charge on Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future relating to the project;

   (iv) a first charge on all intangibles including but not limited to goodwill and uncalled capital, present and future, relating to the project;

   (v) a first charge by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the project documents, the clearances and in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents.

   (vi) a first charge on the Trust and Retention Account/Escrow Account, debt service reserve, and any other reserves and other bank accounts of the Company wherever maintained;

   (vii) pledge of shares by APM Terminals Mauritius Limited, prior to the IPO, representing 51 % of the total paid up equity share capital of the Company during the term of the Loan. The pledge on such number of Equity Shares, representing 20% of the total paid up equity share capital of the Company, shall be released 10 days prior to the filing of the Draft Red Herring Prospectus and re-pledged within 10 days of listing of the Company.

8. Preliminary and pre-operating expenses to the extent of Rs. 1,290 million shall be allowed by IDFC to the extent certified by the auditors. The preliminary and pre-operating expenses beyond Rs. 1,290 million will require IDFC's internal credit approvals.

9. The Company is required to obtain the prior approval of IDFC before making modifications to the project documents or change the scope of the project, undertake new projects, issue any debentures, raise any loan, accept deposits, issue preference capital pertaining to the project or change its capital structure or create any security interest in any of the project assets or give any guarantees, or prepay any sub debt, preference capital or sponsor's loan. The Company is required to obtain the prior approval before entering into any transaction of merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction

10. The Company shall declare a dividend only if there is no default in existence, financial covenants are complied with and all the reserves including debt service reserve is maintained.

11. IDFC shall also have the right to appoint a nominee director on the Board of Directors of the Company, during the currency of the loan.

Sponsor Support Loan

APMT Mauritius has brought in Rs. 314.26 million by way of sponsor support loan towards funding the expansion project. The salient terms of the same are as under:

- Interest payable is 12-months USD-LIBOR plus a margin of 2% p.a.

- The said loan shall be repaid by December 31, 2009 together with any withholdings made by the borrower.

The principal portion of the sponsor support loan is intended to be repaid out of the net issue proceeds.

The schedule of the above repayment is as under:

(All figures in Rs. million)

Particulars	Expenditure incurred till August 31, 2008	Expenditure estimated to be incurred in balance of FY 2008	Expenditure estimated to be incurred in FY 2009	Total
Repayment of Sponsor Support Loan to our Promoter, APMT Mauritius	-	-	314.26	**314.26**

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS (AUDITED AND RESTATED)

To,
The Board of Directors
Gujarat Pipavav Port Limited
Empire Industries Complex
414 Senapati Bapat Marg
Lower Parel
MUMBAI 400 013

10 September 2008

Dear Sirs

1 We have examined the attached financial information of Gujarat Pipavav Port Limited ('Company') as approved by the Board of Directors of the company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 as amended to date ('SEBI Guidelines'), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 2 May 2008 in connection with the proposed issue of Equity shares of the Company.

2 The financial information of Gujarat Pipavav Port Limited has been extracted by the management from the financial statements for the years ended 31 March 2003, 31 March 2004 and 31 March 2005, nine month period ended 31 December 2005, years ended 31 December 2006 and 31 December 2007 being the last date to which the accounts of the Company have been made up and audited by us for presentation to the members of the Company. We have also examined the financial statements for three month period ended 31 March 2008 prepared and approved by the Board of Directors of the Company and audited by us for the purpose of disclosure in the draft red Herring Prospectus being issued by the Company in connection with the proposed issue of equity shares of the Company.

3 In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we confirm that the Summary of Statement of Restated Assets and Liabilities of the Company as at 31 March 2003, 31 March 2004, 31 March 2005, 31 December 2005, 31 December 2006, 31 December 2007 and 31 March 2008, the Summary of Statement of Restated Profit and Loss and the Restated Cash Flow statements of the Company, for the years/ periods ended 31 March 2003, 31 March 2004, 31 March 2005, 31 December 2005, 31 December 2006, 31 December 2007 and 31 March 2008 ('Restated Summary Statements'), examined by us, as set out in Annexures I, II and III respectively to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Notes to the Summary of Statements of Restated Assets and Liabilities, Profit and Losses and Cash Flows. (Refer Annexure IV).

4 a) Without qualifying our opinion and as further elaborated in Note 4(xii) appearing in Annexure IV, we draw attention to the fact that for the purpose of these Restated Summary Statements, due to practical difficulties in retrospective application of Accounting Standard ("AS") 15 (revised), the Company has adopted the revised AS 15 on Employee Benefits as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards effective 1 January 2007. Accordingly, the impact of the revised AS 15 has not been considered as an adjustment item for the purpose of the restatement of all the other periods presented. As reported in the audited financial statements of the Company as at and for the year ended 31 December 2007, the impact of adoption of the revised AS 15 by the Company on 1 January 2007 is Rs 0.29 million on the accumulated balance of employee benefits payable as on 31 December 2006.

b) Without qualifying our opinion and as further elaborated in Note 4(xiii)(b) appearing in Annexure IV, we draw attention to the fact that the Auditor's reports on the financial statements of the Company for the financial year ended 31 December 2007 and for the three month period ended 31 March 2008 has been qualified pending receipt by the Company of Central Government approval for remuneration paid/

payable to the Managing Director, which was in excess of the limits specified in Schedule XIII of the Act. The Company has applied to the Central Government and the approval for the same is pending.

5 Based on the above we are of the opinion that the restated financial information have been made after incorporating:

i adjustments for the changes in accounting policies adopted by the Company retrospectively in respective financial years/periods to reflect the same accounting treatment as per changed accounting policy for all the reporting periods except to the extent stated in paragraph 4(a) above;

ii adjustments for the material amounts in the respective financial years/ periods to which they relate;

iii adjustments for all the qualifications in the auditors' reports, which require adjustments to the Restated Summary Statements except to the extent stated in paragraph 4(b) above;

iv There are no extraordinary items that need to be disclosed separately in the Restated Summary Statements

6 We have also examined the following other financial information set out in the Annexures prepared by the management and approved by the Board of Directors of the Company for the years/ periods ended 31 March 2003, 31 March 2004, 31 March 2005, 31 December 2005, 31 December 2006, 31 December 2007 and 31 March 2008 and annexed to this report.

a) Statement of other income, enclosed as Annexure V

b) Statement of secured and unsecured loans, enclosed as Annexure VI

c) Statement of sundry debtors, enclosed as Annexure VII

d) Statement of loans and advances, enclosed as Annexure VIII

e) Statement of principal terms of secured loans and assets charged as security, enclosed as Annexure IX

f) Statement of capitalization as at 31 March 2008, enclosed as Annexure X

g) Statement of accounting ratios, enclosed as Annexure XI

h) Statement of tax shelter, enclosed as Annexure XII

7 The report should not in any way be construed as a reissuance or redating of any of the previous audit report issued by us.

8 We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9 In our opinion, the financial information contained in Annexure I to XII to this report, read with the respective significant accounting policies and notes disclosed in Annexure IV, and after making adjustments and re-groupings as considered appropriate as disclosed in Annexure IV, and read with paragraph 5 above, has been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI Guidelines.

10 This report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed issue of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Associates**

Chartered Accountants

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai

ANNEXURE I : STATEMENT OF RESTATED ASSETS AND LIABILITIES

(Rs. millions)

PARTICULARS	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Fixed Assets							
Gross Block	10,137.69	8,690.18	8,778.02	6,801.82	6,723.73	6,235.05	5,925.84
Less: Accumulated depreciation	1,360.90	1,280.95	1,074.24	891.94	733.72	542.22	299.01
Less: Asset impairment	1,375.23	1,375.23	1,593.52	1,603.93	1,603.93	1,603.93	-
Net Block	**7,401.56**	**6,034.00**	**6,110.26**	**4,305.95**	**4,386.08**	**4,088.90**	**5,626.83**
Capital Work in Progress including Capital Advances	**2,233.69**	**3,090.23**	**791.34**	**498.63**	**102.53**	**170.98**	**331.31**
Investments	**780.00**	**780.00**	**780.00**	**780.00**	**570.00**	**-**	**501.63**
Current Assets, Loans and Advances							
Inventories	46.86	45.47	26.66	14.00	18.21	11.62	9.56
Sundry Debtors	46.08	34.49	97.31	43.01	28.87	7.00	0.97
Cash and bank balances	1,900.29	2,545.21	480.84	820.13	95.22	33.49	32.70
Other Current Assets	41.54	17.00	19.99	14.87	-	-	-
Loans and Advances	373.00	367.72	318.52	374.39	309.26	462.32	474.34
Total	**2,407.77**	**3,009.89**	**943.32**	**1,266.40**	**451.56**	**514.43**	**517.57**
Liabilities and Provisions							
Secured Loans	5,743.49	5,893.39	5,860.51	3,844.39	3,625.64	3,704.21	3,466.69
Unsecured loans	283.79	279.81	-	137.50	285.00	52.86	52.86
Current liabilities	1,810.56	1,675.03	1,377.70	1,214.04	1,259.86	537.31	645.28
Provisions	467.22	432.93	406.02	238.90	233.47	138.54	153.49
Deferred Tax liabilities (net)	-	-	-	-	-	-	24.47
Total	**8,305.06**	**8,281.16**	**7,644.23**	**5,434.83**	**5,403.97**	**4,432.92**	**4,342.79**
Net worth	**4,517.96**	**4,632.96**	**980.69**	**1,416.15**	**106.20**	**341.39**	**2,634.55**
Net worth represented by							
Share Capital	**3,454.80**	**3,454.80**	**2,618.76**	**2,481.26**	**2,118.76**	**1,600.96**	**1,600.96**
Reserves and Surplus							
Securities Premium Account	7,205.09	7,205.09	3,872.49	3,873.04	2,421.94	2,421.94	2,421.94
Less: Premium on redemption	188.80	176.27	126.01	75.74	37.87	-	-
Securities Premium Account	7,016.29	7,028.82	3,746.48	3,797.30	2,384.07	2,421.94	2,421.94
Profit and Loss Account	(5,953.13)	(5,850.66)	(5,384.55)	(4,862.41)	(4,396.63)	(3,681.51)	(1,388.35)
Reserves & Surplus	**1,063.16**	**1,178.16**	**(1,638.07)**	**(1,065.11)**	**(2,012.56)**	**(1,259.57)**	**1,033.59**
Net worth	**4,517.96**	**4,632.96**	**980.69**	**1,416.15**	**106.20**	**341.39**	**2,634.55**

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

ANNEXURE II : STATEMENT OF RESTATED PROFITS AND LOSSES

(Rs. millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Income							
Operating Revenue	391.82	1,516.04	1,349.63	676.23	762.09	492.85	323.40
Other Income	52.27	141.41	66.63	29.92	21.69	26.90	19.35
Total Income	**444.09**	**1,657.45**	**1,416.26**	**706.15**	**783.78**	**519.75**	**342.75**
Less: Expenditure							
Operating expenses	156.47	598.80	488.28	230.00	259.45	224.95	137.70
Repairs and maintenance	48.75	112.31	138.80	46.26	42.11	27.43	11.33
Staff cost	45.73	138.35	106.30	61.71	62.76	64.21	73.12
Administrative and other expenses	237.84	887.31	521.18	173.24	161.48	118.75	116.25
Borrowing cost	78.75	411.60	473.45	310.03	438.73	410.40	404.83
Depreciation / Amortisation	79.76	267.05	245.97	161.61	193.25	250.47	244.67
Prior period items	-	-	-	-	9.62		
Impairment loss on fixed assets	-	-	-	-	-	2,164.13	-
Deferred revenue expenditure written off	-	-	-	-	-	-	53.22
Total expenditure	**647.30**	**2,415.42**	**1,973.98**	**982.85**	**1,167.40**	**3,260.34**	**1,041.12**
Profit / (Loss) before exceptional item and tax	**(203.21)**	**(757.97)**	**(557.72)**	**(276.70)**	**(383.62)**	**(2,740.59)**	**(698.37)**
Exceptional item	-	38.55	83.58	-	130.00	97.51	-
Profit / (Loss) before tax	**(203.21)**	**(796.52)**	**(641.30)**	**(276.70)**	**(513.62)**	**(2,838.10)**	**(698.37)**
Provision for tax							
Current Tax (including fringe benefits tax)	0.75	2.84	2.44	1.72	0.60	-	1.50
Deferred Tax	-	-	-	-	-	(24.47)	24.47
Total Provision for Tax	**0.75**	**2.84**	**2.44**	**1.72**	**0.60**	**(24.47)**	**25.97**
Net Profit / (Loss) before adjustments	**(203.96)**	**(799.36)**	**(643.74)**	**(278.42)**	**(514.22)**	**(2,813.63)**	**(724.34)**
Less: Adjustments (refer annexure IV note 4)	(101.49)	(332.96)	(121.60)	187.36	200.90	(520.47)	(68.03)
Net Profit / (Loss) as restated	(102.47)	(466.40)	(522.14)	(465.78)	(715.12)	(2,293.16)	(656.31)
Profit / (Loss) at the beginning of the period / year	(5,850.66)	(5,384.55)	(4,862.41)	(4,396.63)	(3,681.51)	(1,388.35)	(732.04)
Less: Reversal on account of transitional gratuity liability	-	(0.29)	-	-	-	-	-
Balance available for appropriation, as restated	**(5,953.13)**	**(5,850.66)**	**(5,384.55)**	**(4,862.41)**	**(4,396.63)**	**(3,681.51)**	**(1,388.35)**
Appropriations	-	-	-	-	-	-	-
Balance carried forwards restated	**(5,953.13)**	**(5,850.66)**	**(5,384.55)**	**(4,862.41)**	**(4,396.63)**	**(3,681.51)**	**(1,388.35)**

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

ANNEXURE III : STATEMENT OF RESTATED CASH FLOW

(Rs. millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
A. Cash flow from operating activities							
Net Profit / (loss) before taxation	(101.72)	(463.56)	(519.70)	(464.06)	(715.12)	(2,317.63)	(631.84)
Adjustment for							
Depreciation	79.96	272.05	241.48	161.42	192.87	249.34	222.24
Impairment loss on fixed assets	-	-	-	-	-	1,603.93	-
Interest expenses	78.75	411.60	473.45	310.03	438.73	410.40	404.83
Interest income	(51.59)	(130.44)	(35.41)	(17.88)	(9.85)	(11.76)	(17.15)
Exceptional items	-	38.55	83.58	-	-	97.51	-
Preoperative expenses	-	-	-	2.53	0.97	-	-
(Profit)/Loss on sale/discard of assets	-	-	(27.31)	0.46	0.69	4.73	1.28
(Profit) / Loss on sale of investments	-	-	-	-	-	0.08	(1.17)
Unrealised Foreign exchange Loss / (Gain) (Net)	4.09	-	-	(11.73)	(7.33)	(0.90)	-
Operating profit / (loss) before working capital changes	9.49	128.20	216.09	(19.23)	(99.04)	35.70	(21.81)
Adjustment for							
(Increase) / Decrease in Inventories	(1.39)	(18.81)	(12.66)	11.53	(6.59)	(2.06)	(8.17)
(Increase) / Decrease in Sundry Debtors	(11.59)	62.83	(51.89)	(13.07)	(21.87)	(6.04)	0.87
(Increase) / Decrease in Loans and Advances	(10.95)	44.78	55.71	(57.56)	18.63	12.28	(111.55)
(Decrease) / Increase in Sundry Creditors and Other liabilities	(94.46)	479.97	234.18	194.23	331.88	80.64	146.46
Cash (used in) / generated from operation	(108.90)	696.97	441.43	115.90	223.01	120.52	5.80
Direct taxes (paid) / refunds received	(26.33)	(12.58)	(1.87)	7.14	5.78	(7.58)	(5.16)
Net cash (used in) / generated from operating activities	(135.23)	684.39	439.56	123.04	228.79	112.94	0.64
B. Cash flow from investing activities							
Purchase of Fixed assets	(341.82)	(2,769.05)	(2,418.19)	(301.24)	(340.53)	(392.08)	(6.68)
Proceeds from sale of fixed assets	-	-	64.82	21.08	1.16	0.25	1.66
Investments	-	-	-	(680.00)	(150.00)	-	-
Interest income	58.21	49.19	32.40	11.55	4.12	2.68	4.92
Net cash (used in) investing activities	(283.61)	(2,719.86)	(2,320.97)	(948.61)	(485.25)	(389.15)	(0.10)
C. Cash flow from financing activities							
Proceeds from issue of share capital	-	4,180.19	-	1,451.10	-	-	-
Proceeds from long term borrowings	-	1,050.60	2,001.60	509.17	432.18	317.53	177.45
Proceeds from short term borrowings	-	-	-	550.00	-	-	-
Repayment of long term borrowings	(165.89)	(857.49)	(244.86)	(701.59)	(38.83)	(22.59)	(241.72)
Share issue expenses	-	(11.55)	(0.55)	-	-	-	-
Interest paid	(60.19)	(261.91)	(214.07)	(258.20)	(75.16)	(17.94)	(236.29)
Net cash (used in) / generated from financing activities	(226.08)	4,099.84	1,542.12	1,550.48	318.19	277.00	(300.56)
Net (decrease) / increase in cash and cash equivalents	(644.92)	2,064.37	(339.29)	724.91	61.73	0.79	(300.02)
Cash and cash equivalents, at beginning of period / year	2,545.21	480.84	820.13	95.22	33.49	32.70	332.72
Cash and cash equivalents, at end of period / year	1,900.29	2,545.21	480.84	820.13	95.22	33.49	32.70

Notes:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Cash and Cash equivalents consist of Cash on hand, Bank balances in current accounts and Deposit account.
3. The above statement should be read with Notes to the Summary of Statements of Restated Assets and Liabilities, Profits and Losses and Cash Flows, as restated under Indian GAAP (Refer Annexure IV).

ANNEXURE IV : NOTES TO THE SUMMARY OF STATEMENTS OF RESTATED ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP.

1. Background

i. Gujarat Pipavav Port Limited, ("the Company") was incorporated on 5 August 1992 to construct, operate and maintain an all weather port at Pipavav, District Amreli, in the State of Gujarat.

ii. The port is designed to handle bulk, container and liquid cargo and to provide ancillary port services such as marine services, material handling, transit and storage operations.

iii. The Company has entered into a 30 year Concession Agreement with Government of Gujarat and Gujarat Maritime Board (GMB) dated 30 September 1998 to engage in the business of developing, constructing, operating and maintaining the port on a BOOT (Build Own Operate Transfer) basis. In certain events of default as per Concession Agreement, GMB has the step-in right by payment of consideration as per the agreement.

iv. AP Moller-Maersk group together with certain financial investors acquired the complete shareholdings held by the original promoter viz. SKIL group, on receipt of approval from Government of Gujarat and GMB during 2005. Accordingly AP Moller-Maersk group has become the key promoter of the Company with management control.

The restated financial statements relate to the Company and have been prepared specifically for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering. The restated financial statements consist of the restated summary statement of assets and liabilities of the Company as at 31 March 2003, 2004, 2005, 31 December 2005, 2006 ,2007 and 31 March 2008, the related restated summary statement of profits and losses for the years / period ended 31 March 2003, 2004, 2005, 31 December 2005, 2006, 2007 and for the three months ended 31 March 2008 and the related restated summary statement of cash flows for each of the years / period ended 31 March 2003, 2004, 2005, 31 December 2005, 2006, 2007 and for the three months ended 31 March 2008 (these restated financial statements hereinafter are collectively referred to as "Restated Summary Statements").

The Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("the SEBI Guidelines") issued by SEBI on January 19, 2000, as amended from time to time. The Act and the SEBI Guidelines require the information in respect of the assets and liabilities and profits and losses of the Company for each of the five years / periods immediately preceding the issue of the Prospectus.

2. Basis of preparation of financial statements

I. The financial statements have been prepared on a going concern basis and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

II. Going Concern

The Company's management believes that the Company will be able to meet its debts and other financial obligations as on 31 March 2008 and in the foreseeable future as and when they fall due based on the following mitigating factors.

i. Debt of Rs 5,962.58 million tied up with IDFC and other lenders, of which Rs 3,281.56 million has been drawn down till 31 March 2008;

ii. Expansion plan under implementation;

iii Updated cash flow projections as prepared by the management based on Business plan approved by Board of Directors

iv Sponsor support provided by A.P.Moller – Maersk A/S for an amount not exceeding Rs 3,266 million in terms of Sponsor Support Agreement entered into between the Company, New Lenders and A.P.Moller – Maersk A/S; and

v Issue of 83,603,757 new equity shares of Rs 10/- each issued at a premium of Rs 40/- per share on rights basis to existing share holders during the year 2007. The issue was fully subscribed and Company has received the full consideration of Rs 4,180.19 million including share premium.

Accordingly these financial statements are prepared on a going concern basis. Management is of the opinion that no further adjustments are required to the recoverability and classification of the carrying amounts of the assets.

III. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Significant accounting policies

I. Tangible Fixed assets and depreciation

i. Tangible Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes:

a) Preoperative expenses incidental and related to construction of the port facility upto the date of commencement of commercial operations, net of income earned from pre-commercial operations during the construction period;

b) Inward freight, duties, taxes and expenses incidental to construction, acquisition and installation; and

c) Financing costs in relation to the specific borrowings for fixed assets upto the date the assets are put to use. In the case of general borrowing, the financing costs are included as part of preoperative expenses.

ii. Pre-operative expenses incidental and related to construction of the respective assets have been included under "Expenditure pending allocation– Net". Such expenditure has been capitalized to fixed assets on completion, in accordance with the generally accepted accounting principles.

iii. Depreciation

Depreciation on tangible fixed assets is provided on straight line basis (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of following fixed assets, which are depreciated at different rates:

a) Expenditure on roads constructed on land not owned by the Company –over the remaining concession period

b) Capital Dredging - at 2% p.a.

c) Second hand Quay Cranes – First 5 year at 15% p.a. and next five years at 5% p.a.

iv. Assets individually costing upto rupees five thousand are fully depreciated in the period / year of acquisition.

v. In accordance with Accounting Standard 28 – Impairment of assets (AS 28), the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

II. Intangible Asset

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised. Intangible assets are amortised over the useful life of the assets.

III. Foreign currency transactions

a. Foreign currency transactions are recorded using the rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period / year are recognized in the profit and loss account of the period / year. As per the Accounting Standard 11- The Effects of Changes in Foreign Exchange Rates (revised 2003) as notified under Companies (Accounting Standard) Rules, 2006, w.e.f. 1 January 2007, exchange differences related to acquisition of imported fixed assets, is charged to profit & loss account.

b. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account.

c. Exchange difference arising on mark to market on outstanding forward exchange contracts entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction is recognized in the profit and loss account.

Premium in respect of forward contracts, are recognized over the life of contract, and exchange difference arising on renewal or cancellation of forward exchange contracts are recognized in the profit and loss account.

IV. Investments

Long-term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is of a permanent nature.

V. Inventories

Stores and spare parts, fuel and lubricants are valued at cost or net realisable value whichever is lower; the cost is calculated on FIFO basis. Systematic provisioning is made for inventories held for more than a year.

VI. Revenue recognition

i Revenue from operations is recognised as and when services are performed. Revenue is exclusive of Service Tax and Education Cess wherever applicable.

ii Interest income is recognised on a time proportion basis at the applicable interest rates.

VII. Employee retirement benefits

Contributions payable to the recognized Provident Fund, which is defined contribution schemes, is charged to the profit and loss account during the period in which the employee renders the related service. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value and the fair value of any plan assets is deducted to arrive at the net obligation.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to one additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the profit and loss account.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity cum Life Assurance (Cash Accumulation) Scheme.

Liability on account of compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services is actuarially valued.

VIII. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account as and when incurred.

IX. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period / year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

Provision for Fringe Benefit Tax is made on the basis of expenditure incurred on employees/ other expenditure as prescribed under the Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

X. Insurance Claims

The Company recognises insurance claims when the recoverability of the claims is established with a reasonable certainty.

XI. ***Provisions and Contingent liabilities***

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. In case of certain litigations, legal opinions are obtained as necessary to support management estimates.

XII. ***Earnings per share (EPS)***

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period / year by the weighted average number of equity shares outstanding during the period / year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period / year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period / year, except where the results would be anti-dilutive.

4. Impact of material adjustments

Summary of results of restatements made in the audited financial statements of the Company for the respective periods / years and their impact on the profit / losses and assets and liabilities of the Company is as under:

Impact on Profit / Losses

(Rs. Millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03	Prior to 01-Apr-02
i. Exchange difference on foreign currency loans (refer note i)								
- Exchange Loss / (Gain)	-	-	6.52	4.42	(2.96)	(14.63)	(8.66)	22.21
- Depreciation	0.20	0.81	(0.31)	(0.19)	(0.38)	(1.13)	(1.81)	(4.47)
- Profit on sale of asset	-	-	(9.76)	-	-	-	-	-
ii. Provision for contingencies (refer note ii, viii)	(101.69)	(344.58)	(111.75)	184.03	214.95	55.98	15.41	87.65
iii. Additions to fixed assets (refer note iii)								
- Borrowing cost & other expenses	-	-	-	-	-	-	-	580.82
- Depreciation	-	-	-	-	-	-	(20.62)	-
- Impairment loss	-	-	-	-	-	(560.20)	-	-
iv. Managerial remuneration (refer note iv)	-	-	-	-	(0.82)	-	-	0.82
v. Prior-period expenses/income (refer note v)								
- Deferred revenue expenses w/off	-	-	-	-	-	-	(53.22)	53.22
- Current tax	-	-	-	-	(0.60)	-	(1.50)	2.10
- Other income	-	-	-	-	(9.62)	1.58	2.21	5.83
vi. Depreciation written back (refer note vi)	-	4.18	(4.18)	-	-	-	-	-

(Rs. Millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03	Prior to 01-Apr-02
vii. Sundry balances written off/back (refer note vii)								
- Operating Revenue	-	-	-	-	-	0.33	0.02	2.16
- Other income	-	7.81	0.01	-	1.68	2.31	0.20	-
- Administrative and other expenses	-	(1.18)	(2.13)	(0.90)	(1.35)	(4.71)	(0.06)	(4.19)
Total	**(101.49)**	**(332.96)**	**(121.60)**	**187.36**	**200.90**	**(520.47)**	**(68.03)**	**746.15**
Regroupings								
i. Administrative and other expenses (refer note xi)	-	0.07	0.08	-	0.30	0.30	0.34	
ii. Current tax (refer note xi)	-	(0.07)	(0.08)	-	(0.30)	(0.30)	(0.34)	

Impact on Assets and Liabilities (Cumulative)

(Rs. Millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03	As at 1-Apr-02
Adjustments								
i. Fixed Assets								
- Gross Block	(564.38)	(564.38)	(564.38)	(582.40)	(577.99)	(579.75)	(594.38)	(22.21)
- Accumulated depreciation	16.96	17.16	22.15	28.60	28.42	28.03	26.90	4.47
- Impairment of assets	560.20	560.20	560.20	560.20	560.20	560.20	-	-
ii. Capital work in progress	(2.64)	(2.64)	(2.64)	1.20	1.20	-	-	(580.82)
iii. Sundry debtors	-	-	(0.33)	(0.35)	(0.37)	(0.67)	(0.91)	(0.89)
iv. Loans and Advances	-	-	-	-	-	(10.72)	(10.10)	(7.92)
v. Current liabilities	-	-	6.96	4.86	3.98	4.90	2.48	2.44
vi. Provisions	-	(277.96)	(572.28)	(633.76)	(411.86)	(159.64)	(102.11)	(88.00)
vii. Miscellaneous expenditure	-	-	-	-	-	-	-	(53.22)
viii. Share premium account (refer note ix)	-	176.27	126.01	75.74	37.87	-	-	-
Regroupings								
i. Capital work in progress (refer note xi)	-	-	-	-	-	(0.33)	-	-
ii. Inventories (refer note xi)	-	-	-	-	-	0.33	-	-
iii. Sundry debtors (refer note xi)	-	-	-	(1.54)	-	-	-	-

(Rs. Millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03	As at 1-Apr-02
iv. Other current assets (refer note xi)	-	-	-	14.87	-	-	-	-
v. Loans and advances (refer note xi)	-	-	-	(14.87)	-	-	-	-
vi. Current liabilities (refer note x & xi)	-	(1012.17)	(834.82)	(548.38)	(293.64)	(93.92)	-	-
vii. Provisions (refer note x & xi)	-	1012.17	834.82	549.92	293.64	93.92	-	-

Notes on Adjustments for Restated Summary Statements

CHANGE IN ACCOUNTING POLICY AND ESTIMATE

i. Exchange difference on foreign currency loan:

Exchange difference on foreign currency loan taken for acquisition of fixed assets was capitalized with respective assets in earlier years. As per the Accounting Standard 11- The Effects of Changes in Foreign Exchange Rates (revised 2003) as notified under Companies (Accounting Standard) Rules, 2006, w.e.f. 1 January 2007, exchange differences relating to acquisition of imported fixed assets, which were hitherto adjusted in the carrying amount of the related fixed assets upto year 2006, is charged to profit & loss account from 1 January 2007. For the purpose of restatement, exchange differences capitalised in earlier years have been charged to profit and loss account and accordingly depreciation and profit / (loss) on disposal of fixed assets has been recomputed.

AUDITORS QUALIFICATIONS

ii. Provision for Contingencies:

Claim for shortfall in traffic guarantee from Pipavav Railway Corporation Limited (PRCL) was not recognised in the books till March, 2005 pending negotiations with PRCL & Ministry of Railways (MOR). During the period / year ended 31 Dec 2005 & 2006 the same was recognised in the books based on best estimate by the management. In the year 2007, a sub committee of the PRCL Board was constituted to review and consider various options in regard to the settlement of such potential claim. Considering the progress of the matter, the management considered prudent to recognise the liability in the books and accordingly provided and amount of Rs 621.91 million, in addition to Provision of Rs 500 million already made in the prior years. As per the agreed payment plan between Company and PRCL, the Company has paid Rs 400 million in March 2008 against aggregate claim of Rs 1,192.95 million upto March' 2008. For the purpose of restatement, the liability has been restated to respective years based on the claim by PRCL.

iii. Additions' to Fixed Assets:

The Company has capitalised certain indirect expenses (including borrowing cost) during the periods prior to year 2002-03, which were not capitalisable. These expenses were charged to profit and loss account as a part of impairment loss in the year 2003-04. For the purpose of restatement these expenses have been de-capitalised and charged to opening profit and loss account with a corresponding adjustment to the depreciation charge for the related year.

iv. Managerial remuneration:

Prior to year 2002-03, the Company has paid managerial remuneration in excess of the approval received from the Central Government under section 269, 198(4)/302(3) of the Companies Act, 1956, which was included in loans and advances as at 31 March 2003 & 2004. This excess remuneration has been charged to profit and loss account during the year 2004-05, on receipt of approval of waiver from Central Government. For the purpose of restatement, the same has been adjusted to opening profit and loss account, as it relates to the period prior to 2002-03 for the services rendered by the Director.

PRIOR PERIOD ADJUSTMENTS:

v. Prior period expenses / income:

In the financial statements for the years ended 31 March 2003, 2004 and 2005, the Company has classified certain transactions as prior period items. Accordingly, for the purpose of the Restated Summary Statements, the said transactions of incomes/expenses have been appropriately adjusted in the respective years to which they relate.

vi. Depreciation written back:

During the year 2007, excess depreciation of earlier years with respect to plant & machinery was written back. For the purpose of restatement the same is adjusted to earlier year.

vii. Sundry balances written/off/back:

In the financial statements for the period ended 31 December 2005 and years ended 31 March 2003, 2004, 2005, 31 December 2006, 2007, certain debit / credit balances pertaining to earlier years were adjusted to the Profit & Loss account. Accordingly, for the purpose of the Restated Summary Statements, such amounts have been appropriately adjusted to the respective years to which they relate.

OTHER SIGNIFICANT ADJUSTMENTS:

viii. Provision for contingencies:

The Company has been in discussions with certain parties for resolution of claims as raised by the supplier / customer. During three months ended 31 March 2008, considering the progress of the matter, the management considers prudent to recognise the liability in the books and accordingly have provided for the same. For the purpose of restatement, the liability has been restated to respective years in which the claims were initiated.

ix. Premium on redemption of 1% preference shares:

As more fully explained in note 'V-b' below, upon receipt of approval for variation in terms of preference shares, during three months ended 31 March 2008, premium on redemption of 1% Non-cumulative Redeemable Preference Shares has been amortised over its tenure and adjusted against the securities premium as at 31 March 2008. For the purpose of restatement, premium on redemption, being a period cost, has been adjusted to share premium for respective periods / years.

REGROUPINGS

x. During three months period ended 31 March 2008, on crystallisation of liability towards traffic guarantee claim, the provision amount is reclassified as creditors. Accordingly provisions for earlier periods have been reclassified.

xi. Figures have been regrouped for consistency of presentation.

NON ADJUSTMENTS

xii. Retirement Benefits:

The Company has adopted revised AS 15 on Employee Benefits effective 1 January 2007. It has not been possible for the management to determine the effect on the profits/losses for the years / periods ended 31 March 2003, 31 March 2004, 31 March 2005, 31 December 2005 and 31 December 2006, had the revised standard been adopted by the Company for each of those years/period. During the year ended 31 March 2003, the Company has changed its method of valuation of leave encashment costs for accounting it on accrual basis, based on number of days of leave balance standing to the credit of the employee and at the last drawn salary, to an independent actuarial valuation. No adjustment has been made for earlier years, since in the opinion of the Company, the impact of the same on the restated financial statements is not material.

xiii. Non adjustments of auditors' qualifications:

Other Audit qualification matters for emphasis which do not require any corrective adjustment in the financial information are as follows:

a. During the year 2005 and 2006, the Company has paid managerial remuneration in excess of the ceiling on remuneration prescribed under Schedule XIII of the Companies Act, 1956 by Rs 0.19 million and Rs 0.36 million respectively, which was charged to profit and loss account. Subsequently the Company has received the Central Government approval for the same.

b. The Company has paid managerial remuneration in excess of the ceiling on remuneration prescribed under Schedule XIII of the Companies Act, 1956 by Rs 14.22 million (31 December 2007 Rs.9.41 million). The Company has applied to the Central Government for approval which is awaited.

5. Significant developments and other significant financial information:

I. Project implementation

During the implementation of the initial phase of creation of basic port facilities, the Company, undertook the implementation of an expansion cum upgradation programme, after substantially tying funds for the same. Accordingly, project activities, though carried concurrently for a period of time, had two distinct phases:

a. Port facility envisaged at the time of entering into an agreement with GMB ("initial phase"); and

b. The expansion cum upgradation of the above facility ("upgradation phase")
On completion of the key facilities at the port, after successfully completing trial runs, the Company declared the initial phase of the port ready for commercial operations in April 2002. Thus the Company has prepared a profit and loss account for the first time for the period from 1 April 2002 to 31 March 2003.

In accordance with the requirements of Accounting Standard 10- Accounting for fixed assets, expenditure on certain assets (including related pre-operative expenses), which were ready and put to use prior to 1 April 2002 have been capitalised by the Company in April 2002.

Balance in Profit and Loss account as on 1 April 2002 represented retained earnings pertaining to erstwhile ship breaking activity, which has been utilised to partly set-off the loss on account of restatement as at 1 April 2002.

II. Exceptional items

a. During the year 2003-04, due to change in the implementation plan for project, consultancy expenses of Rs.47.51 million were charged to profit and loss account.
During the same year, based on best estimate by the management, Rs. 50 million was recognised in the books towards claims by various parties.

b. During the year 2004-05 the company entered into a new agreement with Pipavav Ship Dismantling & Engineering Limited (SKIL group), in lieu of the existing land sub-lease agreements with them. Under the new arrangements, in addition to alternative land sites provided, the Company had agreed to pay Pipavav Ship Dismantling & Engineers Limited (SKIL group) an amount of Rs. 130 million.

c. During the year 2006, the management has approved the plan for construction of a new container jetty as a result of which part of the existing liquid jetty was required to be demolished. Based on the management technical evaluation, the Company had provided for Rs 83.58 million towards written down value of demolition. On further evaluation of the plan, the company additionally charged off Rs 38.55 million to profit and loss account during the year 2007.

III. Investment in Pipavav Railway Corporation Ltd (PRCL)

In the year 2005, pursuant to the shareholders agreement entered into between the company and Ministry of Railways, the Company had subscribed Rs 260 million to the cash calls raised by PRCL. PRCL has allotted the shares for Rs 210 million and balance of Rs 50 million is still pending for allotment.

The net worth of PRCL as per latest available audited financial statements for the year ended 31 March 2007, is lower than the cost. However taking into account the expected rise in rail volume on completion of the project which is under implementation and the new business opportunity available to PRCL for running container trains, the company believes that the diminution in value of its investment is only temporary and accordingly no provision is made.

IV. Corporate Debt Restructuring (CDR)

The existing term loans from Banks and Financial Institutions have been restructured under the Corporate Debt Restructuring (CDR) scheme with effect from 1 October 2003. As per the scheme, part of the outstanding debt has been converted into foreign currency loan (FCL), 8.40% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) and the interest accrued thereon into 10.50% Non Convertible Debenture (NCD). During the year 2006, Corporate Debt Restructuring Cell approved early redemption of NCDs and replaced with Funded Interest Term Loan on similar terms.

One of the conditions for the restructuring of debt is to increase share holding and acquire management control in the Company by AP Moller-Maersk group, which has been fulfilled.

V. Share capital

a. Equity Share capital

i. Equity share capital includes 24,941,200 equity shares which have been allotted as fully paid up, for consideration other than in cash.

ii. During the year 2006, on receipt of required approval from relevant authorities, 13,750,000, 0% Fully Convertible Debentures (Unsecured) have been converted into 13,750,000 equity shares of Rs. 10 each.

iii. During the year 2007, the Company issued 83,603,757 equity shares of Rs.10/- each at a premium of Rs.40/- per share aggregating to Rs. 4,180.89 million on rights basis to the existing shareholders. Of the above, the Company has utilized Rs 2,971.99 million to meet the objects of the issue.

b. Preference Share capital

In terms of the Corporate Debt Restructuring (CDR) scheme approved during November 2003, for the restructure of the debt of the Company, a part of the outstanding debt, due to the lenders of the Company, amounting to Rs. 517.8 million was converted into 8.4 % Optionally Convertible Cumulative Redeemable Preference Shares (preference shares). The preference shares together with accrued dividend would be redeemed in three years in December'09, December'10 & December'11.

The Company sought variation to the terms of issue of preference shares such that the rate of dividend was reduced from 8.4% to 1% and Cumulative Preference Shares were made non cumulative. The Company has since altered its Article and Memorandum of Association. Further, the preference shares would be redeemed at such premium as would provide the holders of preference shares similar yield as the original terms of preference shares would have provided. Accordingly, during the quarter ended 31 March 2008, upon receipt of approval for the scheme of variation from CDR, premium on redemption of 1% Non Cumulative Redeemable Preference Shares has been amortised over its tenure and accordingly Rs 188.80 million has been adjusted against the Securities Premium.

VI. Fixed assets

Land and site development includes-

a. Freehold land Rs.65.85 million

b. Land acquired for rail project to connect Port of Pipavav, not owned by the Company Rs. 1.57 million

c. Land includes Rs.11.33 million acquired to hand over to Government of Gujarat (GoG) in exchange of land survey 109, pursuant to Gujarat High Court order. Formality relating to transfer of title of the said land in the name of the company is yet to be completed.

VII. Commitments

a. Consortium lending commitments

The Company has provided commitment of Rs 350 million towards consortium lending to Pipavav Shipyard Limited (formerly Pipavav Ship Dismantling & Engineering Limited) (SKIL group) conditional to fulfilment of certain obligations by Pipavav Shipyard Limited & other parties which remains unfulfilled and the company has sought discharge of this commitment, which is awaited.

b. Lease Commitments

The Company's leasing arrangement is in respect of a non-cancellable operating lease for the Mumbai office premises. The lease payments recognized in the profit and loss account in respect of the non-cancellable operating leases aggregate as follows:

(Rs. Millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Lease payments	0.83	7.66	4.17	4.17	4.62	--	--

The future minimum lease payments payable under non-cancellable operating lease for rented premises are as follows:

(Rs. Millions)

As at	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
Within one year	5.96	5.97	4.17	5.53	5.53	--	--
Within two to five years	5.84	7.33	--	2.50	6.67	--	--
Total	11.80	13.30	4.17	8.03	12.20	--	--

c. Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as follows:

(Rs. Millions)

As at	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
Capital commitments	1,178.34	916.74	2,658.78	1,482.49	153.35	123.01	58.39

VIII. Contingent Liabilities

(Rs. Millions)

As at	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
Bank Guarantees outstanding ..(a)	255.35	157.35	46.72	157.60	154.17	154.17	154.17
Claims against company not acknowledged as debt, including claim from project contractors							
i. Claim from Suppliers / Consultants	414.67	410.87	651.14	410.72	409.76	-	-
ii. Traffic guarantee liability	132.22	109.74	57.87	30.30	9.39		
iii.Other Claims	212.73	188.94	165.06	145.87	144.41	132.11	-
Sub Total (i+ii+iii)..(b)	759.62	709.55	874.07	586.89	563.56	132.11	-
Grand Total (a+b)	1,014.97	866.90	920.79	744.49	717.73	286.28	154.17
Provision for claims there against	269.88	244.60	182.31	153.45	188.19	132.11	-

Description of Contingent Liabilities

Sr. No.	Contingent Liability	Brief Description
1.	Bank Guarantees	Issued in favour of Government and court.
2.	Claims against Company not acknowledged as debts	The Company is a party to various legal proceedings and has also received various claims in the normal course of business. The Company does not expect the outcome of these proceedings / claims to have a material adverse effect on the Company's financial conditions, results of operation or cash flows.

IX. EPCG Commitment

The Company had imported capital goods at concessional rate of import duty under Export Promotion Capital Goods ('EPCG') scheme by executing a legal undertaking in favour of Government of India with an obligation to export goods / services and realize foreign exchange to the extent of Rs 3,982.58 million by June 2014.

X. The Company has only one reportable business segment, which is Port services and only one reportable geographical segment, which is the port at Pipavav. Accordingly, the segment information as required by Accounting Standard on Segment Reporting (AS 17), has not been separately disclosed.

XI. The Company used forward exchange contracts to hedge its exposure in Foreign Currency. The information on forward contracts is as follows.

a. Forward contracts outstanding as at 31 March 2008, December 2006 and 2007

(Rs. Millions)

Details	**Exposure Indian Rupees**	**Exposure US Dollars**
Payables as at		
31 Mar 2008	NIL	NIL
31 Dec 2007	NIL	NIL

31 Dec 2006	Rs 747.27 million	USD 15.90 million

b. Exchange loss in respect of forward exchange contract to be recognized in subsequent accounting period- Nil, FY 2007- Nil and FY2006- Rs. 6.44 million

XII. In terms of the Concession Agreement with Gujarat Maritime Board (GMB), the Company has sought approval for the increase in actual capital costs of contracted assets in excess of the approved capital costs of Rs 5,855.30 million as stated in Concession Agreement and the approval is awaited.

XIII. A. LIST OF RELATED PARTIES AND RELATIONSHIP

In the absence of comprehensive list of related parties as envisaged in Accounting Standard on Related Party Disclosures (AS 18), the names of the related parties with whom transaction have taken place during the period / year have been disclosed.

Name of the related party	Relation						
	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
APM Terminals Mauritius Limited	Holding Company	Holding Company	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----	----
Maersk India Private Limited- acting as agents for AP Moller- Maersk A/S	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----	----
Maersk India Private Limited- acting as agents for Safmarine Containers Lines N.V.	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----	----	----
Safmarine India Private Limited- acting as agents for Safmarine Containers Lines N.V.	----	----	----	Party with substantial interest and its associates	----	----	----
SKIL Infrastructure Limited (Erstwhile Sea King Infrastructure Limited)	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates
Pipavav Ship Dismantling & Engineering Limited	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates
Grevek Investment and Finance Private Limited	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates
Awaita Properties Private Limited	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates
Managing Director - Mr. Philip Littlejohn	Key Management personnel	Key Management personnel (w.e.f.12-06-2007)	----	----	----	----	----

Name of the related party	Relation						
	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
Managing Director - Mr. Rajeev Sinha	----	Key Management personnel (upto 07-06-2007)	Key Management personnel	Key Management personnel (w.e.f. 10-11-2005)	----	----	----
Managing Director - Mr. Hans-Ole Madsen	----	----	----	Key Management personnel (upto 10-11-2005)	Key Management personnel	Key Management personnel (w.e.f. 06-12-2003)	
Managing Director - Mr. Kamal Baluja	----	----	----	----	----	Key Management personnel (upto 05-12-2003)	Key Management personnel
Gateway Terminals India Private Limited	Fellow Subsidiary	Fellow Subsidiary	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel	----	----
Maersk India Private Limited	Fellow Subsidiary	Fellow Subsidiary	Party with substantial interest and its associates	Party with substantial interest and its associates	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel
APM Terminals Management B.V.	Fellow Subsidiary	Fellow Subsidiary	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----	----
Safmarine India Private Limited	----	----	----	----	Enterprise Significantly influenced by Key Management Personnel	----	----
Pipavav Railway Corporation Limited	Associate	Associate	Associate	Associate	Associate		

B. RELATED PARTY TRANSACTIONS

(Rs. Millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
TRANSACTIONS DURING THE PERIOD/ YEAR							
Income from port services							
- Party with substantial interest & its associates	122.59	518.95	496.26	228.24	-	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	234.02	42.25	9.60
Rent Income							
- Party with substantial interest & its associates	-	-	2.29	-	1.04	5.36	6.59
- Enterprise significantly influenced by Key Management Personnel	-	-	0.53	2.78	1.19	-	-
- Fellow Subsidiary	0.12	1.83	-	-	-	-	-

(Rs. Millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Interest income on Loan							
- Party with substantial interest & its associates	-	-	-	-	4.81	8.48	32.35
Rent Expenses							
- Party with substantial interest & its associates	-	-	-	-	-	-	1.02
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	4.52	9.75	-
- Fellow Subsidiary	0.83	0.91	-	-	-	-	-
Interest expense on Loan							
- Holding Company	4.26	25.95	-	-	-	-	-
- Party with substantial interest & its associates	-	-	-	2.70	-	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	9.29	-	-
Equipment hire charges incurred							
- Party with substantial interest & its associates	-	-	9.90	7.05	1.49	-	0.78
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	9.66	-	-
- Fellow Subsidiary	-	3.00	-	-	-	-	-
Professional fees							
- Party with substantial interest & its associates	-	-	12.84	45.54	-	-	0.37
- Fellow Subsidiary	-	8.71	-	-	-	-	-
Other expenses incurred							
- Party with substantial interest & its associates	-	-	0.40	0.81	0.75	18.86	8.15
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	0.38
- Fellow Subsidiary	2.59	8.40	-	-	-	-	-
- Associate	-	-	-	-	9.40	-	-
Other recoveries							
- Party with substantial interest & its associates	-	-	-	-	-	12.58	1.34
- Enterprise significantly influenced by Key Management Personnel	-	-	0.05	0.38	-	-	-
Expenses incurred on their behalf							
- Party with substantial interest & its associates	-	-	-	-	21.07	4.88	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	1.68	-	0.56
Exceptional item							
- Party with substantial interest & its associates	-	-	-	-	130.00	-	-
Exchange Gain							
- Party with substantial interest & its associates	-	-	0.29	0.64	-	-	-
Land Site development							
- Party with substantial interest & its associates	-	-	-	-	105.14	-	-
Transfer of Fixed Assets							
- Party with substantial interest & its	-	-	-	-	-		

(Rs. Millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
associates						6.00	0.69
Sale of Investment							
- Party with substantial interest & its associates	-	-	-	-	-	500.00	-
Short term advance							
- Party with substantial interest & its associates	1.00	-	-	-	-	-	23.00
Equity contributed							
- Holding Company	-	2,481.48	-	-	-	-	-
- Party with substantial interest & its associates	-	-	-	98.10	570.00	-	-
- Fellow Subsidiary	-	35.00	-	-	-	-	-
Unsecured Loan							
- Holding Company	-	279.81	-	-	-	-	-
Loan repayment							
- Party with substantial interest & its associates	-	-	-	-	-	500.00	-
Short term loan							
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	285.00	-	-
Paid to contractors							
- Party with substantial interest & its associates	-	-	65.09	7.24	-	-	-
- Fellow Subsidiary	0.16	-	-	-	-	-	-
Claim payable							
- Associate	63.38	266.15	277.07	181.73	396.95	-	-
Managerial remuneration							
- Key Management Personnel	5.41	13.80	5.19	0.54	-	8.10	7.90
CLOSING BALANCE							
Current account receivable							
- Party with substantial interest & its associates	7.13	2.07	44.09	23.52	220.00	191.43	208.71
- Enterprise significantly influenced by Key Management Personnel	-	-	-	0.09	11.33	-	-
- Fellow Subsidiary	0.17	0.17	-	-	-	-	-
- Associate	11.15	11.15	11.15	11.15	11.15	-	-
Current account payable							
- Holding Company	2,889.60	25.95	-	-	-	-	-
- Party with substantial interest & its associates	-	28.17	31.79	68.21	547.28	-	25.97
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	293.17	3.09	0.15
- Fellow Subsidiary	38.63	39.61	-	-	-	-	-
Claim payable							
- Associate	785.35	1,121.90	855.75	578.68	396.95	-	-
Unsecured loan							
- Holding Company	283.43	279.81	-	-	-	-	-
- Party with substantial interest & its	-	-	-	-	-	52.86	

(Rs. Millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
associates							-

Out of the above items, transactions in excess of 10% of the total related party transactions as under:

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Income from Port Services							
- Maersk India Pvt Ltd- acting as agent for AP Moller-Maersk A/S	102.74	448.37	473.21	182.41	-	-	-
- Maersk India Pvt Ltd- acting as agent for Safmarine Container Lines N.V.	19.85	70.58	23.04	45.83	-	-	-
- Maersk India Private Limited	-	-	-	-	195.55	42.25	9.60
- Safmarine India private Limited	-	-	-	-	38.47	-	-
Rent Income							
- Gateway Terminals India Private Limited	-	0.50	0.53	2.78	1.19	-	-
- Maersk India Private Limited	0.12	1.33	2.29	-	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	0.48	0.72	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	0.56	4.64	6.57
Interest income on loan							
- Grevek Investment and Finance Private Limited	-	-	-	-	4.81	8.48	20.31
- SKIL Infrastructure Limited	-	-	-	-	-	-	12.04
Rent paid							
- Maersk India Private Limited	0.83	0.91	-	-	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	2.36	1.02
- Awaita Properties Private Limited	-	-	-	-	4.52	7.39	-
Interest expense on loan							
- APM Terminals Mauritius Limited	4.26	25.95	-	-	-	-	-
- Maersk India Private Limited	-	-	-	2.70	9.29	-	-
Equipment hire charges							
- Maersk India Private Limited	-	3.00	9.90	7.05	9.66	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	1.49	-	0.78
Professional fees							
- APM Terminals Management B.V.	-	8.71	12.84	45.54	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	0.37
Other expenses incurred							
- APM Terminals Management B.V.	0.59	8.40	0.40	0.81	-	-	-
- Maersk India Private Limited	2.00	-	-	-	-	-	0.38
- SKIL Infrastructure Limited	-	-	-	-	-	16.45	5.88
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	2.26
- Awaita Properties Private Limited	-	-	-	-	0.75	2.36	-
- Pipavav Railway Corporation Limited	-	-	-	-	9.40	-	-
Other recoveries							
- Gateway Terminals India Private Limited	-	-	0.05	0.38	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	12.58	1.29
Expenses incurred on their behalf							
- SKIL Infrastructure Limited	-	-	-	-	20.50	3.45	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	1.43	-
- Maersk India Private Limited	-	-	-	-	-	-	0.56
- Gateway Terminals India Private Limited	-	-	-	-	1.68	-	-

(Rs. Millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Exceptional item							
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	130.00	-	-
Exchange Gain							
- APM Terminals Management B.V.	-	-	0.29	0.64	-	-	-
Land site development							
- SKIL Infrastructure Limited	-	-	-	-	105.14	-	-
Transfer of Fixed Assets							
- SKIL Infrastructure Limited	-	-	-	-	-	5.97	0.69
Sale of Investment							
- SKIL Infrastructure Limited	-	-	-	-	-	500.00	-
Short term advance							
- SKIL Infrastructure Limited	-	-	-	-	-	-	23.00
Equity Contributed							
- APM Terminals Mauritius Limited	-	2,481.48	-	98.10	570.00	-	-
Unsecured Loan							
- APM Terminals Mauritius Limited	-	279.81	-	-	-	-	-
Loan repayment							
- SKIL Infrastructure Limited	-	-	-	-	-	500.00	-
	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
Short term loan							
- Maersk India Private Limited	-	-	-	-	285.00	-	-
Paid to Contractors							
- Maersk India Private Limited	-	-	9.90	7.24	-	-	-
- APM Terminals Management B.V.	-	-	55.19	-	-	-	-
Managerial remuneration							
Managing Director - Mr. Philip Littlejohn	5.41	10.72	-	-	-	-	-
Managing Director - Mr. Rajeeva Sinha	-	3.08	5.19	0.54	-	-	-
Managing Director - Mr. Kamal Baluja	-	-	-	-	-	8.10	7.90
Claim payable							
- Pipavav Railway Corporation Limited	63.38	266.15	277.07	181.73	396.95	-	-
Closing Balances							
Current account receivable							
- Safmarine India Pvt Limited- acting as agent for Safmarine container Lines N.V.	6.19	2.24	0.01	3.97	2.44	-	-
- Maersk India Private Limited- acting as an agents for AP Moller- Maersk A/S	-	-	44.07	19.55	7.23	-	-
- Gateway Terminals India private Limited	-	-	-	0.09	1.66	-	-
- Pipavav Railway Corporation Limited	11.15	11.15	11.15	11.15	11.15	-	-
- Grevek Investment and Finance Private Limited	-	-	-	-	-	24.54	19.10
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	12.31	-
- SKIL Infrastructure Limited	-	-	-	-	220.00	177.18	189.61
Current account payable							
- APM Terminals Mauritius Limited	24.01	25.95	-	-	-	-	-
- Maersk India Private Limited	-	-	-	-	293.17	3.09	0.15

(Rs. Millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
- Maersk India Private Limited- acting as an agents for AP Moller- Maersk A/S	-	28.17	-	0.64	-	-	-
- APM Terminals Management B.V.	39.39	39.61	31.15	67.57	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	127.28	-	6.72
- Awaita Properties Private Limited	-	-	-	-	-	22.59	13.86
- SKIL Infrastructure Limited	-	-	-	-	420.00	-	-
Claim payable							
- Pipavav Railway Corporation Limited	785.35	1,121.90	855.75	578.68	396.95	-	-
Unsecured loan							
- APM Terminals Mauritius Limited	283.43	279.81	-	-	-	52.86	-

ANNEXURE V : STATEMENT OF OTHER INCOME

(Rs. Millions)

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Other income, as restated	52.27	133.60	74.58	25.50	22.97	37.64	25.60
Net (loss) before tax and after prior period and extraordinary items, as restated	(101.72)	(463.56)	(519.70)	(464.06)	(715.12)	(2,317.63)	(631.84)
Percentage	**	**	**	**	**	**	**
Sources of Income							
Recurring:							
Interest received on bank deposits	47.03	112.74	21.80	11.04	5.04	1.10	8.43
Interest received on advances	4.55	17.70	13.61	6.84	4.81	9.86	7.29
Miscellaneous receipts	0.69	1.34	1.82	0.31	2.83	11.30	-
Exchange gain, (net)	-	-	-	7.31	10.29	15.38	8.66
Non-recurring:							
Profit / (Loss) on sale of assets (net)	-	-	27.31	-	-	-	-
Insurance Claims	-	1.82	10.04	-	-	-	-
Dividend received	-	-	-	-	-	-	0.05
Profit on sale of investments	-	-	-	-	-	-	1.17
Other income as restated	**52.27**	**133.60**	**74.58**	**25.50**	**22.97**	**37.64**	**25.60**

Notes:
The classification of 'Other Income' as Recurring/ Non Recurring to business activities is based on the current operations and business activities of the Company as determined by the management.

In accordance with the accounting treatment consistently followed by the company, exchange fluctuation gain / loss and profit / loss on sale of assets is disclosed net. Gross amounts in respect thereof are not readily determinable. Hence, net gain where applicable has been considered for the purpose of above disclosure.

The figures disclosed above are based on the restated summary statement of profits and losses of the Company.

** Since there is Net Loss before tax, the percentages have not been shown.

ANNEXURE VI : STATEMENT OF SECURED & UNSECURED LOANS

(Rs. Millions)

PARTICULARS	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
SUCURED LOANS							
Long term loans from banks							
Rupee term loan- Existing Debt	383.21	400.14	402.17	404.20	405.73	610.83	655.59
Rupee term loan- New Debt	505.18	516.45	421.00	46.60	-	-	-
Foreign currency term loan- Existing Debt	-	-	-	48.11	81.61	-	-
Funded interest term loan- Existing Debt	188.41	189.80	288.38	234.05	68.91	-	-
Interest accrued and due on above	-	-	-	-	-	99.83	6.96
Long term loans from financial institutions							
Rupee term loan- Existing Debt	1,480.72	1,546.13	1,553.98	1,561.83	1,567.72	2,158.35	2,016.36
Rupee term loan- New Debt	2,507.57	2,563.50	2,089.77	462.57	-	-	-
Foreign currency term loan- Existing Debt	-	-	45.06	231.93	342.31	184.27	204.72
Funded interest term loan- Existing Debt	678.40	677.37	1,060.15	661.96	255.14	-	-
Interest accrued and due on above	-	-	-	-	-	532.70	58.45
Debentures							
10.50% Non convertible debentures (NCD) of Rs.100 each	-	-	-	161.08	569.90	-	
Deferred interest on the above	-	-	-	32.06	78.50	-	-
16.75% Non convertible debentures (NCD) of Rs.100 each	-	-	-	-	-	-	20.00
Short term loan from financial institutions							
Rupee term loan	-	-	-	-	255.77	116.20	-
Vehicle loans							
Bank	-	-	-	-	0.01	0.99	2.41
Others	-	-	-	-	0.04	1.04	2.20
Other loans							
From promoter	-	-	-	-	-	-	500.00
Total- Secured loans	**5,743.49**	**5,893.39**	**5,860.51**	**3,844.39**	**3,625.64**	**3,704.21**	**3,466.69**
UNSECURED LOANS							
From Promoters	283.79	279.81	-	-	-	-	-
From Financial Institution: 13,750,000, 0% Fully Convertible Debentures of Rs.10 each	-	-	-	137.50	-	-	-
From Fellow subsidiary	-	-	-	-	285.00	-	-
From ex-promoters	-	-	-	-	-	52.86	52.86
Total- Unsecured loans	**283.79**	**279.81**	**-**	**137.50**	**285.00**	**52.86**	**52.86**
Grand Total- Loans	**6,027.28**	**6,173.20**	**5,860.51**	**3,981.89**	**3,910.64**	**3,757.07**	**3,519.55**

Notes:

SECURED LOANS:

1. Amounts repayable within one year: Rs. 638.24 million.

2. Long term loans from banks & financial institutions:

(i) The existing debt comprising of Rupee Term Loans, Foreign Currency Term Loans and Funded Interest Term Loan (FITL) and new debt comprising of Rupee Loan are secured by way of first mortgage, on pari passu basis, of the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, and hypothecation of all the Company's movables including movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior charges in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and books debts and other movables towards working capital facilities.

(ii) The said loans are also secured by pledge of shares held by AP Moller Maersk Group (APMM), to the extent of 26% of the equity share capital of the company.

(iii) Infrastructure Development Finance Company Limited (IDFC), holds the aforesaid security mentioned in (i) and (ii) above for itself and on behalf of other existing and new lenders by way of Security Trustee and Lenders Agent.

3. Debentures:

(i) 10.50 % Non-convertible Debentures (NCD) were redeemable in 3 annual instalments on 1 October 2009, 1 October 2010 and 1 October 2011. During the year 2006, Corporate Debt Restructuring Cell approved early redemption of NCD's and replaced with Funded Interest Term Loan on similar terms. Accordingly NCD's aggregating to Rs.161.08 Million are substituted as Funded Interest Term Loan. Consequent to redemption of NCD, the deferred interest on NCD is considered a part of Funded Interest Term Loan.

(ii) 10.50% Non-convertible Debentures (NCD) were secured by way of first mortgage, on pari passu basis, of the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, and hypothecation of all the Company's movables including movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior charges in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and books debts on other movables towards working capital facilities. The extension of mortgage for FITL in replacement of 10.50% NCD's were being completed.

(iii) 16.75% Non-convertible Debentures (NCD) were redeemable at 30% of face value, each at the end of the third and fourth year and balance at the end of the fifth year from the date of allotment, i.e. 29 April 1998. The last instalment of Rs. 20 million due for redemption during the year 2003-04, was rescheduled by mutual consent. The redemption was made as per reschedulement by mutual consent.

(iv) The 16.75% non-convertible debentures are secured by way of first mortgage on the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, ranking pari passu amongst participating financial institutions/ banks and by first charge by way of hypothecation of all the Company's movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior changes in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and book debts and other movables towards working capital facilities.

(v) 16.75% Non-convertible Debentures (NCD) were additionally secured by the Personal Guarantees of two directors and a relative of a director.

(vi) The Company had not created a debenture redemption reserve due to unavailability of profits.

4. Short term rupee term loan:

The short term rupee loan from a financial institution was secured by hypothecation of plant and machinery acquired under the loan and pledge of shares held by APM Terminals Holdings Ltd (APMT) and maersk India Private Ltd (MIPL)

5. Vehicle loans:

Vehicle loans were secured by the assets acquired under the respective loans.

6. Loan from ex-promoters:

Loan from promoter Sea King Infrastructure Limited (SKIL) was secured by pledge of shares, subscribed in Pipavav Railway Corporation Limited (PRCL), utilising the said loan by the Company.

UNSECURED LOANS:

7. From Promoters:

The existing unsecured loan was received under External Commercial Borrowing Guidelines from the promoter pursuant to Sponsor Support Agreement with the company's lenders and is subordinated to the lenders. The loan bear an interest @ 12 month USD libor plus 2% p.a.

The outstanding amount including interest shall be converted to new equity or repaid at the earlier of 30 December 2009 and the date of subscription of new shares.

8. From Financial Institutions- Debentures:

During the fiscal 2005 the Company issued 0% Fully Convertible Debentures to Financial institution at a premium of Rs.30/- each. These Debentures were converted into 13,750,000 equity shares during the fiscal 2006.

9. From Fellow subsidiary:

During the year 2004-05, the Company obtained short-term loan from Maersk India Private Limited. The same was repaid during the period ended December 2005 along with interest @ 7.45%.

10 From ex-promoters:

The unsecured loan from ex-promoter, SKIL Infrastructure Limited (SKIL), was interest free, with no stipulation to repayment terms. A partial withdrawal of Rs 151.99 was made during the financial year 2002-03 contrary to loan covenants, for which regularisation is sought from the lender. With the divestment of shareholdings by SKIL in favour of APMM and other financial investors, the unsecured loan was adjusted against the amount due and payable by the SKIL to the Company.

11. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

ANNEXURE VII : STATEMENT OF SUNDRY DEBTORS

(Rs. Millions)

PARTICULARS	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Debts outstanding for a period exceeding six months							
- considered good	1.65	1.26	1.59	0.98	2.09	0.12	0.11
- considered doubtful	1.43	0.57	2.15	1.10	0.07	0.24	5.92
Other debts							
- considered good	44.43	33.23	95.72	42.03	26.78	6.88	0.86
- considered doubtful	0.65	0.29	0.83	1.58	-	-	-
Less: Provision for doubtful debts	(2.08)	(0.86)	(2.98)	(2.68)	(0.07)	(0.24)	(5.92)
Total	**46.08**	**34.49**	**97.31**	**43.01**	**28.87**	**7.00**	**0.97**
Debt outstanding from Promoters and Promoter Group Companies	6.19	2.24	44.08	23.52	9.67	-	-

Notes:
The list of persons / entities classified as ‘Promoters’ and ‘Promoter Group Companies’ has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.

The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

ANNEXURE VIII : STATEMENT OF LOANS & ADVANCES

(Rs. Millions)

PARTICULARS	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Advances recoverable in cash or in kind or for value to be received							
- considered good	89.84	119.11	86.01	41.59	25.30	61.10	67.74
- considered doubtful	11.78	11.78	11.78	-	-	-	-
Less: Provision for doubtful advances	(11.78)	(11.78)	(11.78)	-	-	-	-
Prepaid expenses	65.76	55.55	42.57	21.42	13.21	15.87	9.71
Due from SKIL Group, ex-promoter (Note 1)	94.22	94.22	94.22	221.33	220.00	167.57	162.87
Inter corporate loan	-	-	-	-	-	100.00	100.00
Interest accrued on above loan	-	-	-	-	-	49.75	40.46
Advance against investment (Note 2)	11.15	11.15	11.15	11.15	11.15	11.95	11.90
Share application money, pending allotment	50.00	50.00	50.00	50.00	-	-	-
Sundry deposits and short term advances	23.34	24.51	31.13	27.41	30.55	41.55	49.21
Income tax receivable	38.69	13.18	3.44	1.49	9.05	14.53	32.45
Total	**373.00**	**367.72**	**318.52**	**374.39**	**309.26**	**462.32**	**474.34**

Notes:

1. SKIL Infrastructure Ltd. (SKIL), has agreed to discharge the aforesaid obligation with interest and the obligation is guaranteed by a Director of SKIL.
2. Advance against investment relates to expenditure already spent by the Company on the formation and other expenses of the rail SPV, Pipavav Railway Corporation Limited (PRCL), on its behalf which is pending approval of Ministry of Railways (MOR). This expenditure would be adjusted towards equity share capital of PRCL after review by MOR. MOR has approved Rs. 2.65 million and the Company has taken up with PRCL and MOR for approval of the remaining expenses.
3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

ANNEXURE IX : STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. Millions)

Particulars	As at 31 Mar 2008	Rate of Interest	Repayment	Security
RUPEE TERM LOAN				(i) The existing debt comprising of Rupee Term Loans, Foreign Currency Term Loans and Funded Interest Term Loan (FITL) and new debt comprising of Rupee Loan are secured by way of First mortgage, on pari passu basis, of the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, and hypothecation of all the Company's movables including movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior charges in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and books debts and other movables towards working capital facilities. (ii) Also secured by pledge of shares held by AP Moller Maersk Group (APMM), to the extent of 26% of the equity share capital of the company. (iii) Infrastructure Development Finance Company Limited (IDFC), holds the aforesaid security mentioned in (i) and (ii) above for itself and on behalf of other existing and new lenders by way of Security Trustee and Lenders Agent.
New Debt Infrastructure Development Finance Company Limited (IDFC) GPPL/A dt. 27 Sept 2004 Project expansion / modification scheme	Rs 3,012.75	5-yr G-sec yield + 2.75%, till third anniversary from draw down rate thereafter annual reset	108 monthly installments (uneven)	
Old Debt				
Industrial Development Bank of India (IDBI)	Rs 971.16	@ 6.80% for FY 08-09, @ 15% for FY 09-10 & @ 16% for the balance tenure, resulting in an annual yield rate of 10.50%	Quarterly upto Jan, 1, 2014	
EXIM Bank	Rs 478.23			
Punjab National Bank (PNB)	Rs 383.21			
Industrial Investment bank of India (IIBI)	Rs 31.33			
FUNDED INTEREST TERM LOAN				
Non-convertible debentures (NCDs) converted to FITL				
Industrial Development Bank of India (IDBI)	Rs 285.23	@ 10.50 %	3 annual installments, starting from Oct 2009	
EXIM Bank	Rs 154.98			
Punjab National Bank (PNB)	Rs 123.60			
Industrial Investment bank of India (IIBI)	Rs 6.09			
Interest on NCDs converted to FITL				
Industrial Development Bank of India (IDBI)	Rs 126.73	Interest free	8 equal quarterly installments, starting from April 1, 2009	
EXIM Bank	Rs 70.32			
Punjab National Bank (PNB)	Rs 56.63			
Industrial Investment bank of India (IIBI)	Rs 2.73			
Interest on OCCRPS prior to its conversion from loan, converted to FITL				
Industrial Development Bank of India (IDBI)	Rs 21.13	Interest free	In one shot with First Dividend payment	
EXIM Bank	Rs 10.36			
Punjab National Bank (PNB)	Rs 8.33			
Industrial Investment bank of India (IIBI)	Rs 0.68			
Total	Rs 5,743.49			

Corporate Debt Restructuring (CDR)

The existing term loans from Banks and Financial Institutions have been restructured under the Corporate Debt Restructuring (CDR) scheme with effect from 1 October 2003. As per the scheme, part of the outstanding debt has been converted into foreign currency loan (FCL), 8.40% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) and the interest accrued thereon into 10.50% Non Convertible Debenture (NCD). During the year 2006, Corporate Debt Restructuring Cell approved early redemption of NCDs and replaced with Funded Interest Term Loan on similar terms.

One of the conditions for the restructuring of debt is to increase the share holding and acquired management control in the Company by AP Moller-Maersk group, which has been fulfilled.

The Company sought variation to the terms of issue of preference shares such that the rate of dividend was reduced from 8.4% to 1% and Cumulative Preference Shares were made non cumulative. The Company has since altered its Article and Memorandum of Association. Further, the preference shares would be redeemed at such premium as would provide the holders of preference shares similar yield as the original terms of preference shares would have provided. Accordingly, during the quarter ended 31 March 2008, upon receipt of approval for the scheme of variation from CDR, premium on redemption of 1% Non Cumulative Redeemable Preference Shares has been amortised over its tenure and accordingly Rs 188.80 million as at the Balance Sheet date, has been adjusted against the Securities Premium.

ANNEXURE X : STATEMENT OF CAPITALISATION AS AT 31 MARCH 2008

(Rs. Millions)

Particulars	Pre issue	Post issue
Long Term Debt	5,389.04	
Short Term Debt	638.24	
Total Debt	**6,027.28**	
Shareholders' funds		
- Equity share capital	2,937.00	
- Preference share capital	517.80	
Reserves as restated		
- Securities Premium account	7,016.29	
- Profit and Loss account	(5,953.13)	
Total shareholders' funds	**4,517.96**	
Long Term Debt / Equity	1.19	
Total Debt / Shareholders' funds	1.33	

Notes:

1. Short Term debt represents amount repayable within one year from 31 March 2008.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company as at 31 March 2008.
3. The corresponding post issue figures are not determinable at this stage pending the completion of the Book building process and hence have not been furnished.

ANNEXURE XI : STATEMENT OF ACCOUNTING RATIOS

PARTICULARS	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Earnings / (Loss) per share before extraordinary items-							
Basic & Diluted* (Rs.)	(0.35)	(1.98)	(2.57)	(2.43)	(4.47)	(14.32)	(4.10)
Earnings / (Loss) per share after extraordinary items-							
Basic & Diluted* (Rs.)	(0.35)	(1.98)	(2.57)	(2.43)	(4.47)	(14.32)	(4.10)
Return on Net worth %	-2.27%	-10.07%	-53.24%	-32.89%	-673.37%	-671.71%	-24.91%
Net Asset Value (NAV) per equity share (Rs.)	13.62	14.01	2.20	4.58	(2.57)	2.13	16.46
Weighted average no. of equity shares o/s during the period/ year	293,699,998	234,994,177	203,221,241	191,596,459	160,096,241	160,096,241	160,096,241
Total number of equity shares outstanding at the end of the period/ year	293,699,998	293,699,998	210,096,241	196,346,241	160,096,241	160,096,241	160,096,241

* face value of Rs. 10 each

Notes:

1. The ratios have been computed as below:

Earning per share (Rs.) before extraordinary items:

$$\frac{\text{Net profit / (loss) as restated, before extraordinary items, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period / year}}$$

Earning per share (Rs.) after extraordinary items:

$$\frac{\text{Net profit / (loss) as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period / year}}$$

Return on Net worth %:

$$\frac{\text{Net profit / (loss) after tax, as restated}}{\text{Net worth}}$$

Net Asset Value per Equity Share (Rs.):

$$\frac{\text{Net worth less Preference Share capital}}{\text{Number of equity shares outstanding at the end of the period / year}}$$

2. Net worth means Equity share capital + Preference share capital + Other reserves and surplus - Debit balance in Profit & Loss account.

3. Other Reserves and Surplus includes Securities premium.

4. Weighted average number of equity shares used in determining earnings per share is after considering the effect of right issue during the year ended 31 December 2007, which does not contain bonus element.

5. The long term loans and Optionally Convertible Non-cumulative Redeemable Preference Shares have a right to convert into equity shares of the Company at par in the event of default. As on 31 March 2008 there are no defaults and therefore these instruments are not considered for calculation of diluted earning per shares.

6. The figures disclosed above are based on the restated summary statements of the Company.

ANNEXURE XII : STATEMENT OF TAX SHELTER

(Rs. Millions)

Particulars	For the year ended 31-Mar-08	For the year ended 31-Mar-07	For the year ended 31-Mar-06	For the year ended 31-Mar-05	For the year ended 31-Mar-04	For the year ended 31-Mar-03
Profit / (Loss) as per Profit and Loss Account	(913.97)	(648.80)	(353.23)	(383.31)	(2,837.80)	(698.03)
Income Tax Rates applicable	33.99%	33.66%	33.66%	36.59%	35.88%	36.75%
Tax at notional rates	-	-	-	-	-	-
Permanent Difference (A)						
Donations disallowed under the Income Tax Act	0.15	0.40	0.15	0.10	0.22	0.08
Interest / Penalty on Income Tax / TDS	-	-	-	-	0.18	0.04
Fringe Benefit Tax & Wealth Tax	3.07	-	-	-	-	-
Others		-	-	-	-	-
Total Permanent Difference (A)	**3.22**	**0.40**	**0.15**	**0.10**	**0.40**	**0.12**
Timing Difference (B)						
Differences between book depreciation and tax depreciation	(495.96)	(392.46)	(301.20)	(713.28)	(793.09)	(1,030.46)
Differences in tax and accounting treatment of Deferred Revenue expenditure	-	-	-	-	-	53.22
Difference due to allowability / disallowability of Section 43B items	(396.91)	146.25	162.22	345.20	399.84	232.27
Amounts Inadmissible u/s 40(a) (ia)	(567.00)	-	(5.15)	-	-	-
Provision for Doubtful Debts, Advances and claims	237.75	468.31	101.83	65.00	0.24	-
Provision for Inventory Obsolescence	7.93	2.66	7.52	-	-	-
Exceptional items	38.55	83.59	-	9.61	97.51	-
Exchange loss on Forward exchange contract	-	52.30	-	-	-	-
Impairment Loss on Fixed Assets	-	-	-	-	2,164.13	-
Leave encashment	-	-	-	-	-	-
Profit on sale of assets credited to Profit & Loss a/c	0.02	(17.78)	0.73	0.69	4.73	1.29
Interest income credited to CWIP	-	10.27	2.88	-	-	-
Income from other sources considered separately	(125.54)	-	(9.71)	(3.90)	0.03	(7.39)
Total Timing Difference (B)	**(1,301.16)**	**353.14**	**(40.88)**	**(296.68)**	**1,873.39**	**(751.07)**
Net Adjustments (A + B)	**(1,297.94)**	**353.54**	**(40.73)**	**(296.58)**	**1,873.79**	**(750.95)**
Tax Saving Thereon	-	119.00	-	-	672.32	-
Profits / (Losses) for the year taxable under the head Profit and Gains of Business or Profession	**(2,211.91)**	**(295.26)**	**(393.96)**	**(679.89)**	**(964.01)**	**(1,448.98)**
Income taxable under the head Capital Gains	-	-	-	-	-	1.16
Income taxable under the head Other sources	125.54	-	9.71	3.90	0.05	6.21
Profit / (losses) for the year before adjustment of brought forward losses	(2,086.37)	(295.26)	(384.25)	(675.99)	(963.96)	(1,441.61)
Brought forward losses adjusted	-	-	-	-	-	-
Total carried forward losses as per income tax returns	**(5,664.60)**	**(3,578.23)**	**(3,282.97)**	**(3,081.56)**	**(2,405.57)**	**(1,441.61)**

Note:

1. The aforesaid Statement of Tax Shelters is not based on the Profits/ (Losses) as per the 'Restated Unconsolidated Summary Statement of Assets and Liabilities'. It has been prepared based on the standalone audited accounts of Gujarat Pipavav Port Limited except for the year ended March 31, 2008 (where the figures are unaudited).

2. The permanent/timing differences have been computed considering the acknowledged copies of the income- tax returns filed by the Company for each of the respective years as stated above. Disallowances on account of assessment proceedings, appeals etc. have been given effect while

arriving at the carried forward unabsorbed depreciation.

3. The figures for the year ended March 31, 2008 are based on the provisional computation of total income prepared by the Company and are subject to any changes that may be considered at the time of final filing of the return of income for the year ended March 31, 2008.

4. In view of tax loss incurred by the Company during each of the years considered in the tax shelters, the Company has not calculated tax under normal provision of the Act. Similarly, since the Company also has book losses as well as brought forward unabsorbed deprecation during years considered in the tax shelters, the Company is not liable to pay Minimum Alternate Tax (MAT) under Section 115JB(2) of the Act.

5. There was a change in the shareholding structure of the Company, wherein more than 51 per cent of the shares changed hands during the year ended March 31, 2006. Due to such change, on application of Section 79 of the Income Tax Act, brought forward business loss amounting to Rs.164,307,045 relating to the year ended 31 March 2003 could not be carried forward. This has been given effect in the amount of "Carried forward losses" for the year ending March 31, 2006.

6. The total brought forward loss for the year ended 31 March 2006 is after effecting the disallowance made in the assessment order for the year ended 31 March 2003, 31 March 2004 and 31 March 2005

7. The figures considered in above Statement of Tax Shelter for year ended 31 March 2008 are based on unaudited draft financial statements of the Company. We are given to understand that the same may undergo changes during finalizing it books of account and return of income for the year under consideration which would not have material impact on the business loss of the Company.

FINANCIAL STATEMENTS (AUDITED)

To,

The Board of Directors
Gujarat Pipavav Port Limited
Empire Industries Complex
414 Senapati Bapat Marg
Lower Parel
MUMBAI 400 013

10 September 2008

Dear Sirs,

1 We have audited the attached Balance Sheet of Gujarat Pipavav Port Limited (the Company) as at 31 March 2008, 31 December 2007, 31 December 2006, 31 December 2005, 31 March 2005, 31 March 2004 and 31 March 2003, the Profit and Loss Account for the three months ended 31 March 2008, the years ended 31 December 2007, 31 December 2006, the nine months ended 31 December 2005, the years ended 31 March 2005, 31 March 2004 and 31 March 2003, annexed hereto and the Cash Flow statement for the three months ended 31 March 2008, the years ended 31 December 2007, 31 December 2006, the nine months ended 31 December 2005, the years ended 31 March 2005 and 31 March 2004 annexed hereto (collectively, together with the schedules and notes thereto, the "Financial Information"), which we have signed under reference to this report. These Financial Statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audits.

2 We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

3 The financial information of Gujarat Pipavav Port Limited has been based on the financial statements for the years ended 31 March 2003, 31 March 2004 and 31 March 2005, nine month period ended 31 December 2005, years ended 31 December 2006 and 31 December 2007 being the last date to which the accounts of the Company have been made up and audited by us for presentation to the members of the Company under our reports dated 5 December 2003, 3 September 2004, 19 August 2005, 24 March 2006, 1 June 2007 and 17 March 2008 respectively. We have also audited the financial statements for three month period ended 31 March 2008 prepared and approved by the Board of Directors of the Company under our report dated 14 July 2008 for the purpose of disclosure in the Draft Red Herring Prospectus being issued by the Company in connection with the proposed issue of equity shares of the Company.

4 We draw your attention to schedule 6 to the financial information for the year ended 31 March 2003 regarding fixed assets amounting to Rs.6,520.22 million. The Company's business plans had undergone significant changes during the implementation phase. As a result of these significant changes to the project and extension to the planned construction activity, in our opinion, certain costs were not capitalisable and their capitalization as fixed assets or their inclusion in capital work-in-progress was not in accordance with the Accounting Standard 10 on capitalization of fixed assets, the Guidance note on 'Treatment of expenditure incurred during construction period' and the Accounting Standard 16 on Borrowing costs issued by the Institute of Chartered Accountants of India. These items comprised indirect costs amounting to Rs.580.82 million (including borrowing costs of Rs.489.91 million), which were capitalized. These items should not have been capitalized but charged to the profit and loss account.

Had the accounting treatment noted above been followed, it would have had the following effect on the financial information for that year:

a) the gross block of fixed assets would have been lower by Rs.580.82 million

b) the accumulated depreciation and depreciation charge would have been lower by Rs.20.62 million

c) the loss before taxation would have been higher by Rs.20.62 million

d) Accumulated losses would have been higher and shareholder funds would have correspondingly been lower by Rs.560.20 million

These fixed assets have been impaired during the year ended 31 March 2004.

5 We draw your attention to note 9 of Schedule 15 to the financial information regarding contingent liabilities in respect of claim for minimum traffic guarantee amounting to Rs.293.64 million as at 31 March 2005. This matter was under negotiation with the third party for waiver of this claim. In view of the uncertainty in respect of the ultimate outcome of this dispute we were unable to comment on the adjustments, if any, that may be necessary to loss for the year before tax and accumulated losses as at 31 March 2005. However, this claim has been recognised in the books of accounts during the period ended 31 December 2005.

6 In our opinion and on the basis of the information and explanations given to us, subject to the effects of the matters referred to in paragraphs 4 and 5 above, the said financial information give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2008, 31 December 2007, 31 December 2006, 31 December 2005, 31 March 2005, 31 March 2004 and 31 March 2003

b) in the case of the Profit and Loss Account, of the results of operations of the Company for the three months ended 31 March 2008, the years ended 31 December 2007, 31 December 2006, the nine months ended 31 December 2005, the years ended 31 March 2005, 31 March 2004 and 31 March 2003; and

c) in the case of the Cash flow statement, of the cash flows of the Company for the three months ended 31 March 2008, the years ended 31 December 2007, 31 December 2006, the nine months ended 31 December 2005, the years ended 31 March 2005 and 31 March 2004.

7 The report should not in any way be construed as a reissuance or redating of any of the previous audit report issued by us.

8 We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9 This report is solely for your information and for inclusion in the offer document being issued by the Company in connection with the Initial Public Offer of equity shares in the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully

For **B S R & Associates**

Chartered Accountants

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai

Balance Sheet

							(Rs. in millions)	
Particulars	**Sch.**	**As at 31-Mar-08**	**As at 31-Dec-07**	**As at 31-Dec-06**	**As at 31-Dec-05**	**As at 31-Mar-05**	**As at 31-Mar-04**	**As at 31-Mar-03**
Sources of funds								
Shareholders' funds								
Share Capital	1	3,454.80	3,454.80	2,618.76	2,481.26	2,118.76	1,600.96	1,600.96
Reserves and surplus	2	7,016.29	7,205.09	3,872.49	3,873.04	2,421.94	2,421.94	2,421.94
		10,471.09	**10,659.89**	**6,491.25**	**6,354.30**	**4,540.70**	**4,022.90**	**4,022.90**
Loan Funds								
Secured Loans	3	5,743.49	5,893.39	5,860.51	3,844.39	3,625.64	3,704.21	3,466.69
Unsecured loans	4	283.79	279.81	-	137.50	285.00	52.86	52.86
		6,027.28	**6,173.20**	**5,860.51**	**3,981.89**	**3,910.64**	**3,757.07**	**3,519.55**
Deferred Tax liability (net)	5	-	-	-	-	-	-	24.47
Total		**16,498.37**	**16,833.09**	**12,351.76**	**10,336.19**	**8,451.34**	**7,779.97**	**7,566.92**
Application of funds								
Fixed Assets	6							
Gross Block		10,702.07	9,254.56	9,342.39	7,384.22	7,301.72	6,814.80	6,520.22
Less: Accumulated depreciation		1,377.86	1,298.11	1,096.39	920.54	762.14	570.25	325.92
Less: Asset impairment		1,935.43	1,935.43	2,153.72	2,164.13	2,164.13	2,164.13	-
Net Block		7,388.78	6,021.02	6,092.28	4,299.55	4,375.45	4,080.42	6,194.30
Capital Work in Progress	7	2,236.33	3,092.87	793.98	497.43	101.33	171.31	331.32
		9,625.11	**9,113.89**	**6,886.26**	**4,796.98**	**4,476.78**	**4,251.73**	**6,525.62**
Investments	8	**780.00**	**780.00**	**780.00**	**780.00**	**570.00**	**-**	**501.63**
Current Assets, Loans and Advances	9							
Inventories		46.86	45.47	26.66	14.00	18.21	11.29	9.56
Sundry Debtors		46.08	34.49	97.64	44.90	29.24	7.67	1.88
Cash and bank balances		1,900.29	2,545.21	480.84	820.13	95.22	33.49	32.70
Other Current Assets		41.54	17.00	19.99	-	-	-	-
Loans and Advances		373.00	367.72	318.52	389.26	309.26	473.04	484.44
Total		**2,407.77**	**3,009.89**	**943.65**	**1,268.29**	**451.93**	**525.49**	**528.58**
Less: Current liabilities and provisions	10							
Current liabilities		1,810.56	662.86	549.84	670.52	970.20	448.29	647.76
Provisions		467.22	1,167.14	668.56	155.06	115.25	72.82	51.38
Total		**2,277.78**	**1,830.00**	**1,218.40**	**825.58**	**1,085.45**	**521.11**	**699.14**
Net current assets / (liabilities)		**129.99**	**1,179.89**	**(274.75)**	**442.71**	**(633.52)**	**4.38**	**(170.56)**
Profit and Loss Account		5,963.27	5,759.31	4,960.25	4,316.50	4,038.08	3,523.86	710.23
Total		**16,498.37**	**16,833.09**	**12,351.76**	**10,336.19**	**8,451.34**	**7,779.97**	**7,566.92**

Significant accounting policies and Notes to financial statement- Schedule 15
The schedules referred to above form an integral part of the balance sheet

As per our report attached
For **B S R & Associates**
Chartered Accountants

For **Gujarat Pipavav Port Limited**

Bhavesh Dhupelia
Partner
Membership No.: 042070
Mumbai, 10 September 2008

Manish Agnihotri
Company Secretary

C.S. Venkiteswaran
Financial Controller

Allan Adriansen
Chief Finance Officer

Philip Littlejohn
Managing Director

Luis Miranda
Director

Mumbai, 10 September 2008

Profit and Loss Account

(Rs. in millions)

Particulars	Sch.	For 3 months ended 31-Mar-08	For 12 months ended 31-Dec-07	For 12 months ended 31-Dec-06	For 9 months ended 31-Dec-05	For 12 months ended 31-Mar-05	For 12 months ended 31-Mar-04	For 12 months ended 31-Mar-03
Income								
Operating Revenue	11	391.82	1,516.04	1,349.63	676.23	762.09	492.84	323.40
Other Income	12	52.27	141.41	66.63	29.92	21.69	20.21	19.35
Total Income		**444.09**	**1,657.45**	**1,416.26**	**706.15**	**783.78**	**513.05**	**342.75**
Less: Expenditure								
Operation and other expenses	13	488.79	1,736.70	1,254.48	511.21	525.50	525.85	338.06
Borrowing cost	14	78.75	411.60	473.45	310.03	438.73	410.40	404.83
Depreciation		79.76	267.05	245.97	161.61	193.25	250.47	244.67
Prior period items		-	-	-	-	9.62	-	-
Impairment loss on fixed assets (Refer note no.6 to Schedule 15)		-	-	-	-	-	2,164.13	-
Deferred revenue expenditure written off		-	-	-	-	-	-	53.22
Total expenditure		**647.30**	**2,415.35**	**1,973.90**	**982.85**	**1,167.10**	**3,350.85**	**1,040.78**
Profit / (Loss) before exceptional item and tax		**(203.21)**	**(757.90)**	**(557.64)**	**(276.70)**	**(383.32)**	**(2,837.80)**	**(698.03)**
Exceptional item (Refer note no.5 to Schedule 15)		-	38.55	83.58	-	130.00	-	-
Profit / (Loss) before tax		**(203.21)**	**(796.45)**	**(641.22)**	**(276.70)**	**(513.32)**	**(2,837.80)**	**(698.03)**
Provision for taxation								
Current Tax (including fringe benefit tax)		0.75	2.84	2.44	1.72	0.60	-	1.50
Wealth tax			0.07	0.08		0.30	0.30	0.34
Deferred Tax		-	-	-	-	-	(24.47)	24.47
Net Profit / (Loss) after taxation		(203.96)	(799.36)	(643.74)	(278.42)	(514.22)	(2,813.63)	(724.34)
Profit / (Loss) at the beginning of the period / year		(5,759.31)	(4,960.24)	(4,316.50)	(4,038.08)	(3,523.86)	(710.23)	14.11
Less: Reversal on account of transitional gratuity liability (Refer note no15 to Schedule15)		-	(0.29)	-	-	-	-	-
Balance carried forwards		**(5,963.27)**	**(5,759.31)**	**(4,960.24)**	**(4,316.50)**	**(4,038.08)**	**(3,523.86)**	**(710.23)**
Basic and diluted earnings per share of face value of Rs 10 each (Rs.) (Refer note no.16 to Schedule 15)		(0.69)	(3.63)	(3.41)	(1.65)	(3.45)	(17.57)	(4.52)

Significant accounting policies and Notes to financial statement- Schedule 15
The schedules referred to above form an integral part of the profit and loss account

As per our report attached
For **B S R & Associates**
Chartered Accountants

For **Gujarat Pipavav Port Limited**

Bhavesh Dhupelia
Partner
Membership No.: 042070
Mumbai, 10 September 2008

Manish Agnihotri Company Secretary

C.S. Venkiteswaran Financial Controller

Allan Adriansen Chief Finance Officer

Philip Littlejohn Managing Director

Luis Miranda Director

Mumbai, 10 September 2008

Cash Flow Statement

(Rs. in millions)

Particulars	For 3 months ended 31-Mar-08	For 12 months ended 31-Dec-07	For 12 months ended 31-Dec-06	For 9 months ended 31-Dec-05	For 12 months ended 31-Mar-05	For 12 months ended 31-Mar-04
A. Cash flow from operating activities						
Net Profit / (loss) before taxation	(203.22)	(796.45)	(641.22)	(276.70)	(513.32)	(2,837.80)
Adjustment for						
Depreciation	79.76	267.05	245.97	161.61	193.25	250.47
Impairment loss on fixed assets	-	-	-	-	-	2,164.13
Deferred revenue expenditure written off	-	-	-	-	-	-
Interest expenses	78.75	411.60	473.45	310.03	438.73	410.40
Interest income	(51.59)	(130.44)	(35.41)	(17.88)	(9.85)	(11.76)
Exceptional items	-	38.55	83.58	-	-	97.51
Prior period items	-	-	-	-	9.62	-
Preoperative expenses transferred from op. CWIP	-	-	-	2.53	0.97	-
(Profit)/Loss on sale/discard of assets	-	-	(17.55)	0.46	0.69	4.73
(Profit) / Loss on sale of investments	-	-	-	-	-	0.08
Bad debts	-	-	-	-	-	-
Sundry balances written off	-	-	-	-	-	1.53
Sundry balances written back	-	-	-	-	-	(2.31)
Unrealised Foreign exchange Loss / (Gain) (Net)	4.09	-	(1.80)	(11.73)	(7.33)	(0.90)
Operating profit / (loss) before working capital changes	(92.21)	(209.69)	107.02	168.32	112.76	76.08
Adjustment for						
(Increase) / Decrease in Inventories	(1.39)	(18.81)	(12.66)	4.21	(6.59)	(1.73)
(Increase) / Decrease in Sundry Debtors	(11.59)	63.16	(51.87)	(15.66)	(21.57)	(6.04)
(Increase) / Decrease in Loans and Advances	(10.95)	44.78	64.42	(45.61)	19.21	11.19
(Decrease) / Increase in Sundry Creditors and Other liabilities	7.24	817.60	348.03	21.01	116.01	27.03
Cash (used in) / generated from operation	(108.90)	697.04	454.94	132.27	219.82	106.53
Direct taxes (paid) / refunds received	(26.33)	(12.65)	(1.95)	7.14	5.48	(7.88)
Net cash (used in) / generated from operating activities	(135.23)	684.39	452.99	139.41	225.30	98.65
B. Cash flow from investing activities						
Purchase of Fixed assets	(341.82)	(2,769.05)	(2,424.71)	(305.66)	(337.57)	(377.78)
Proceeds from sale of fixed assets	-	-	64.82	21.08	1.16	0.25
Investments	-	-	-	(680.00)	(150.00)	-
Exchange gain net	-	-	1.80	-	-	-
Interest income	58.21	49.19	32.40	11.55	4.12	-
Net cash (used in) investing activities	(283.61)	(2,719.86)	(2,325.69)	(953.03)	(482.29)	(377.53)
C. Cash flow from financing activities						
Proceeds from issue of share capital	-	4,180.19	-	1,451.10	-	-
Proceeds from long term borrowings	-	1,050.60	2,001.60	509.17	432.18	317.52
Proceeds from short term borrowings	-	-	-	550.00	-	-
Repayment of long term borrowings	(165.89)	(857.49)	(244.86)	(701.59)	(38.83)	(22.59)
Share issue expenses	-	(11.55)	(0.55)	-	-	-
Interest received						2.68
Interest paid	(60.19)	(261.91)	(214.07)	(258.20)	(75.16)	(17.94)
Net cash (used in) / generated from financing activities	(226.08)	4,099.84	1,542.12	1,550.48	318.19	279.67
Net (decrease) / increase in cash and cash equivalents	(644.92)	2,064.37	(330.58)	736.86	61.20	0.79
Cash and cash equivalents, at beginning of period / year	2,545.21	480.84	811.42	74.56	13.36	12.57
Cash and cash equivalents, at end of period / year	1,900.29	2,545.21	480.84	811.42	74.56	13.36

Notes:
1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements prescribed in the Companies (Auditing Standard) Rules 2006.

2. Cash and Cash equivalents consist of Cash on hand, Bank balances in current accounts and Deposit account.
3. The above statement should be read with Notes to the financial statements.
4. Consequent to Accounting Standard (AS) 3 – Cash Flow Statements becoming applicable to the Company from 1 April 2003, there is no cash flow statement for earlier period.

As per our report attached
For **B S R & Associates**
Chartered Accountants

For **Gujarat Pipavav Port Limited**

Bhavesh Dhupelia	**Manish Agnihotri**	**C.S. Venkiteswaran**	**Allan Adriansen**	**Philip Littlejohn**	**Luis Miranda**
Partner	Company Secretary	Financial Controller	Chief Finance Officer	Managing Director	Director
Membership No.: 042070					
Mumbai, 10 September 2008				Mumbai, 10 September 2008	

Schedule 1: Share Capital

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Authorised							
345,000,000 (Dec'07: 345,000,000, Dec'06: 245,000,000, Dec'05: 245,000,000, Mar'05: 245,000,000, Mar'04: 245,000,000, Mar'03: 2,000,000) Equity shares of Rs 10 each	3,450.00	3,450.00	2,450.00	2,450.00	2,450.00	2,450.00	2,000.00
55,000,000, 8.4% Optionally Convertible Cumulative Redeemable Preference shares of Rs 10 each	550.00	550.00	550.00	550.00	550.00	550.00	-
	4,000.00	**4,000.00**	**3,000.00**	**3,000.00**	**3,000.00**	**3,000.00**	**2,000.00**
Issued, subscribed and paid-up							
293,699,998 (Dec'07: 293,699,998, Dec'06: 210,096,241, Dec'05: 196,346,241, Mar'05: 160,096,241, Mar'04: 160,096,241, Mar'03: 160,096,241) Equity shares of Rs 10 each	2,937.00	2,937.00	2,100.96	1,963.46	1,600.96	1,600.96	1,600.96
51,780,000, 8.4% Optionally Convertible Cumulative Redeemable Preference shares of Rs 10 each (Refer note no.9 to Schedule 15)	517.80	517.80	517.80	517.80	517.80	-	-
	3,454.80	**3,454.80**	**2,618.76**	**2,481.26**	**2,118.76**	**1,600.96**	**1,600.96**

Of the above:
24,941,200 Equity shares have been allotted as fully paid up, for consideration received other than in cash

158,523,960 Equity shares held by APM Terminals Mauritius Limited, the parent company.

Notes:
1. 8.4% Optionally Convertible Cumulative Redeemable Preference Shares would be redeemed in three annual instalments by 31 December 2009, 31 December 2010 & 31 December 2011.
2. During the year ended 31 December 2006, on receipt of required approval from the relevant authorities, 13,750,000 0% Fully convertible Debenture (Unsecured) have been converted into 13,750,000 equity shares of Rs 10 each.
3. During the year ended 31 December 2007, Company has issued 83,603,757 equity shares of Rs 10 each at a premium of Rs 40 per share on Right basis.

Schedule 2: Reserves and Surplus

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Securities Premium Account							
Balance at the beginning of the period	7,205.09	3,872.49	3,873.04	2,421.94	2,421.94	2,421.94	2,619.53
Add: Received during the period (refer note no.10 of Schedule 15)	-	3,344.15		1,500.00[2]	-	-	-
Less: Preliminary expenses written off		-	-	-	-	-	(10.43)
Less: Share and Debenture issue expenses	-	(11.55)	(0.55)	(48.90)	-	-	(187.16)
Less: Premium on redemption of Preference Shares (refer note no.9 of Schedule 15)	188.80	-	-	-	-	-	-
	7,016.29	**7,205.09**	**3,872.49**	**3,873.04**	**2,421.94**	**2,421.94**	**2,421.94**
Profit and Loss account							
Balance brought forward	-	-	-	-	-	-	14.11
Less: Transferred to profit and loss account	-	-	-	-	-	-	14.11[1]

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
	-	-	-	-	-	-	-
	7,016.29	**7,205.09**	**3,872.49**	**3,873.04**	**2,421.94**	**2,421.94**	**2,421.94**

[1] Balance in Profit and Loss account represented retained earnings pertaining to the erstwhile ship breaking activity, which has been utilised to partly set-off the loss incurred by the Company for the year ended 31 March 2003.

[2] 36,250,000 equity shares of Rs 10 each and 13,750,000 10.50% Non-convertible Debentures (NCD) of Rs 10 each have been issued during the period ended 31 December 2005 at a premium of Rs 30 per share. Premium of Rs 1,500 received thereon has been credited to Securities Premium account.

Schedule 3: Secured loans

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Long term loans from banks							
Rupee term loan- Existing Debt	383.21	400.14	402.17	404.20	405.73	610.83	655.59
Rupee term loan- New Debt	505.18	516.45	421.00	46.60	-	-	-
Foreign currency term loan- Existing Debt	-	-	-	48.11	81.61	-	-
Funded interest term loan- Existing Debt	188.41	189.80	288.38	234.05	68.91	-	-
Interest accrued and due on above	-	-	-	-	-	99.83	6.96
Long term loans from financial institutions							
Rupee term loan- Existing Debt	1,480.72	1,546.13	1,553.98	1,561.83	1,567.72	2,158.35	2,016.36
Rupee term loan- New Debt	2,507.57	2,563.50	2,089.77	462.57	-	-	-
Foreign currency term loan- Existing Debt	-	-	45.06	231.93	342.31	184.27	204.72
Funded interest term loan- Existing Debt	678.40	677.37	1,060.15	661.96	255.14	-	-
Interest accrued and due on above	-	-	-	-	-	532.70	58.45
Debentures							
10.50% Non convertible debentures (NCD) of Rs.100 each	-	-	-	161.08	569.90	-	
Deferred interest on the above	-	-	-	32.06	78.50	-	-
16.75% Non convertible debentures (NCD) of Rs.100 each	-	-	-	-	-	-	20.00
Short term loan from financial institutions							
Rupee term loan	-	-	-	-	255.77	116.20	-
Vehicle loans							
Bank	-	-	-	-	0.01	0.99	2.41
Others	-	-	-	-	0.04	1.04	2.20
Other loans							
From promoter	-	-	-	-	-	-	500.00
Total	**5,743.49**	**5,893.39**	**5,860.51**	**3,844.39**	**3,625.64**	**3,704.21**	**3,466.69**

Notes:

1. Amounts repayable within one year: Rs. 638.24 million (Dec'07: 532.19, Dec'06: 704.77, Dec'05: 241.53, Mar'05: 496.70, Mar'04: 118.17, Mar'03: 362.79).

2. **Long term loans from banks & financial institutions:**

(i) The existing debt comprising of Rupee Term Loans, Foreign Currency Term Loans and Funded Interest Term Loan (FITL) and new debt comprising of Rupee Loan are secured by way of first mortgage, on pari passu basis, of the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, and hypothecation of all the Company's movables including movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior charges in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and books debts and other movables towards working capital facilities.

(ii) With effect from year 2005, the said loans are also secured by pledge of shares held by AP Moller Maersk Group (APMM), to the extent of 26% of the equity share capital of the company.

(iii) Infrastructure Development Finance Company Limited (IDFC), holds the aforesaid security mentioned in (i) and (ii) above for itself and on behalf of other existing and new lenders by way of Security Trustee and Lenders Agent.

3. Debentures:

(i) 10.50 % Non-convertible Debentures (NCD) were redeemable in 3 annual instalments on 1 October 2009, 1 October 2010 and 1 October 2011. During the year 2006, Corporate Debt Restructuring Cell approved early redemption of NCD's and replaced with Funded Interest Term Loan on similar terms. Accordingly NCD's aggregating to Rs.161.08 Million are substituted as Funded Interest Term Loan. Consequent to redemption of NCD, the deferred interest on NCD is considered a part of Funded Interest Term Loan.

(ii) 10.50% Non-convertible Debentures (NCD) were secured by way of first mortgage, on pari passu basis, of the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, and hypothecation of all the Company's movables including movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior charges in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and books debts on other movables towards working capital facilities. The extension of mortgage for FITL in replacement of 10.50% NCD's were being completed.

(iii) 16.75% Non-convertible Debentures (NCD) were redeemable at 30% of face value, each at the end of the third and fourth year and balance at the end of the fifth year from the date of allotment, i.e. 29 April 1998. The last instalment of Rs. 20 million due for redemption during the year 2003-04, was rescheduled by mutual consent. The redemption of the same was made as per reschedulement.

(iv) The 16.75% non-convertible debentures are secured by way of first mortgage on the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, ranking pari passu amongst participating financial institutions/ banks and by first charge by way of hypothecation of all the Company's movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior changes in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and book debts and other movables towards working capital facilities.

(v) 16.75% Non-convertible Debentures (NCD) were additionally secured by the Personal Guarantees of two directors and a relative of a director.

(vi) The Company had not created a debenture redemption reserve due to unavailability of profits.

4. Short term rupee term loan:

The short term rupee loan from a financial institution was secured by hypothecation of plant and machinery acquired under the loan and pledge of shares held by APM Terminals Holdings Ltd (APMT) and maersk India Private Ltd (MIPL)

5. Vehicle loans:

Vehicle loans were secured by the assets acquired under the respective loans.

6. Loan from ex-promoters:

Loan from promoter Sea King Infrastructure Limited (SKIL) was secured by pledge of shares, subscribed in Pipavav Railway Corporation Limited (PRCL), utilising the said loan by the Company.

Schedule 4: Unsecured loans

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
From Promoters	283.79	279.81	-	-	-	-	-
13,750,000, 0% Fully Convertible Debentures of Rs.10 each	-	-	-	137.50	-	-	-
From others	-	-	-	-	285.00	-	-
From ex-promoters	-	-	-	-	-	52.86	52.86
Total- Unsecured loans	**283.79**	**279.81**	**-**	**137.50**	**285.00**	**52.86**	**52.86**

Notes:

1. Debentures:

During the fiscal 2005 the Company issued 0% Fully Convertible Debentures to Financial institution at a premium of Rs.30/- each. These Debentures were converted into 13,750,000 equity shares during the fiscal 2006.

2. From ex-promoters:

The unsecured loan from ex-promoter, SKIL Infrastructure Limited (SKIL), was interest free, with no stipulation to repayment terms. A partial withdrawal of Rs 151.99 was made during the financial year 2002-03 contrary to loan covenants, for which regularisation is sought from the lender. With the divestment of shareholdings by SKIL in favour of APMM and other financial investors, the unsecured loan was adjusted against the amount due and payable by the SKIL to the Company.

Schedule 5: Deferred tax liability (net)

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Deferred tax liability							
Difference between book and tax depreciation	1,729.98	1,503.89	1,500.93	1,206.78	1,203.34	168.16	51.39
Deferred tax asset							
Impairment loss	707.18	651.46	707.18	710.68	710.68	168.16	-
Unabsorbed depreciation	1,022.80	852.43	793.75	496.10	492.66	-	26.92
Deferred tax liability (net)	**-**	**-**	**-**	**-**	**-**	**-**	**24.47**

Note:
Deferred tax asset has been recognised only to the extent of the net deferred tax liability, as this amount is considered to be virtually certain of realisation.

Schedule 6: Fixed Assets

as at 31 March 2003

(Rs. in millions)

	Particulars	Gross Block				Depreciation				Net Block	
		As at 1.4.2002	Additions during the Year	Disposal/ Adjusted during the Year	As at 31.3.2003	Up to 1.4.2002	Depreciation during the Year	Disposal/ Adjusted during the Year	Up to 31.3.2003	As at 31.3.2003	As at 31.3.2002
(A)	Land and site development										
	Freehold	66.82	114.74	-	181.56	-	-	-	-	181.56	66.82
(B)	Dredging	-	354.05	-	354.05	-	7.08	-	7.08	346.97	-
(C)	Buildings	94.00	1,885.18	-	1,979.18	10.40	39.95	-	50.35	1,928.83	83.60
(D)	Plant and machinery	228.88	3,731.98	(0.81)	3,960.05	57.89	193.22	(0.25)	250.86	3,709.19	170.99
(E)	Vehicles	27.72	3.16	(4.57)	26.31	9.11	2.88	(2.20)	9.79	16.52	18.61
(F)	Furniture and fixtures	18.12	0.98	(0.03)	19.07	6.30	1.55	(0.01)	7.84	11.23	11.83
	TOTAL	435.54	6,090.09	(5.41)	6,520.22	83.70	244.67	(2.46)	325.92	6,194.30	351.84

as at 31 March 2004

(Rs. in millions)

	Particulars	Gross Block				Depreciation				Asset Impairment	Net Block	
		As at 1.4.2003	Additions during the Year	Disposal/ Adjusted during the Year	As at 31.3.2004	Up to 1.4.2003	Depreciation during the Year	Disposal/ Adjusted during the Year	Up to 31.3.2004		As at 31.3.2004	As at 31.3.2003
(A)	Land and site development											
	Freehold	181.56	0.30	(0.12)	181.74	-	-	-	-	(52.77)	128.97	181.56
(B)	Dredging	354.05	6.63	(7.14)	353.54	7.08	7.09	-	14.17	-	339.37	346.97
(C)	Buildings	1,979.18	192.43	(14.21)	2,157.40	50.35	42.16	(0.09)	92.42	(541.18)	1,523.80	1,928.83
(D)	Plant and machinery	3,960.04	14.54	(21.34)	3,953.24	250.86	194.12	(1.91)	443.07	(1,570.18)	1,939.99	3,709.19

(Rs. in millions)

Particulars		Gross Block				Depreciation				Asset Impairment	Net Block	
		As at 1.4.2003	Additions during the Year	Disposal/ Adjusted during the Year	As at 31.3.2004	Up to 1.4.2003	Depreciation during the Year	Disposal/ Adjusted during the Year	Up to 31.3.2004		As at 31.3.2004	As at 31.3.2003
(E)	Railway sidings	-	131.18	-	131.18	-	3.07	-	3.07	-	128.11	-
(F)	Vehicles	26.31	-	(9.43)	16.88	9.79	2.47	(4.13)	8.13	-	8.75	16.52
(G)	Furniture and fixtures	19.08	1.74	-	20.82	7.83	1.56	-	9.39	-	11.42	11.24
	TOTAL	6,520.22	346.82	(52.24)	6,814.80	325.92	250.47	(6.13)	570.26	(2,164.13)	4,080.42	6,194.30

as at 31 March 2005

(Rs. in millions)

Particulars		Gross Block						Depreciation				Net Block	
		As at 1.4.2004	Additions during the Year	Disposal/ Adjusted during the Year	As at 31.3.2005	Asset Impairment	As at 31.3.2005	Up to 1.4.2004	Depreciation during the Year	Disposal/ Adjusted during the Year	Up to 31.3.2005	As at 31.3.2005	As at 31.3.2004
(A)	Land and site development	181.74	110.44	-	292.18	(52.77)	239.41	-	-	-	-	239.41	128.97
(B)	Leasehold improvements	-	2.31	-	2.31	-	2.31	-	0.36	-	0.36	1.95	-
(C)	Dredging	353.54	-	-	353.54	-	353.54	14.17	7.07	-	21.24	332.30	339.37
(D)	Buildings	2,157.40	25.55	-	2,182.95	(541.18)	1,641.77	92.42	32.52	-	124.94	1,516.83	1,523.80
(E)	Plant and machinery	3,953.24	351.00	(3.43)	4,300.81	(1,570.18)	2,730.63	443.07	143.86	(1.03)	585.90	2,144.73	1,939.99
(F)	Railway sidings	131.18	0.38	-	131.56	-	131.56	3.07	6.24	-	9.31	122.25	128.11
(G)	Furniture and fixtures	20.82	0.87	-	21.69	-	21.69	9.40	1.66	-	11.06	10.63	11.42
(H)	Vehicles	16.88	1.40	(1.60)	16.68	-	16.68	8.13	1.54	(0.34)	9.33	7.35	8.75

(Rs. in millions)

Particulars	Gross Block						Depreciation				Net Block	
	As at 1.4.2004	Additions during the Year	Disposal/ Adjusted during the Year	As at 31.3.2005	Asset Impairment	As at 31.3.2005	Up to 1.4.2004	Depreciation during the Year	Disposal/ Adjusted during the Year	Up to 31.3.2005	As at 31.3.2005	As at 31.3.2004
TOTAL	6,814.80	491.95	(5.03)	7,301.72	(2,164.13)	5,137.59	570.26	193.25	(1.37)	762.14	4,375.45	4,080.41

as at 31 December 2005

(Rs. in millions)

Particulars	Gross Block						Depreciation				Net Block	
	As at 1.4.2005	Additions during the period	Disposal/ Adjusted during the period	As at 31.12.2005	Asset Impairment	As at 31.12.2005 (after asset impairment)	Up to 1.4.2005	Depreciation during the period	Disposal/ Adjusted during the period	Up to 31.12.2005	As at 31.12.2005	As at 31.03.2005
(A) Land and site development	292.18	-	-	292.18	(52.77)	239.41	-	-	-	-	239.41	239.41
(B) Leasehold improvements	2.31	-	-	2.31	-	2.31	0.36	0.64	-	1.00	1.31	1.95
(C) Dredging	353.54	-	-	353.54	-	353.54	21.24	5.33	-	26.57	326.97	332.30
(D) Buildings	2,182.95	17.75	(22.86)	2,177.84	(541.18)	1,636.66	124.94	24.68	(2.61)	147.01	1,489.65	1,516.83
(E) Plant and machinery	4,300.81	84.97	(0.80)	4,384.98	(1,570.18)	2,814.80	585.90	124.02	(0.23)	709.69	2,105.11	2,144.73
(F) Railway sidings	131.56	-	-	131.56	-	131.56	9.31	4.71	-	14.02	117.54	122.25
(G) Furniture and fixtures	21.69	1.20	(0.73)	22.16	-	22.16	11.06	1.03	(0.12)	11.97	10.19	10.63
(H) Vehicles	16.68	3.33	(0.36)	19.65	-	19.65	9.33	1.20	(0.25)	10.28	9.37	7.35
TOTAL	7,301.72	107.25	(24.75)	7,384.22	(2,164.13)	5,220.09	762.14	161.61	(3.21)	920.54	4,299.55	4,375.45

as at 31 December 2006

(Rs. in millions)

	Particulars	Gross Block						Depreciation				Net Block	
		As at 1.1.2006	Additions during the Year	Disposal/ Adjusted during the Year	As at 31.12.2006	Asset Impairment	As at 31.12.2006	Up to 1.1.2006	Depreciation during the Year	Disposal/ Adjusted during the Year	Up to 31.12.2006	As at 31.12.2006	As at 31.12.2005
(A)	Land and site development	292.18	15.16	-	307.34	(52.77)	254.57	-	-	-	-	254.57	239.41
(B)	Leasehold improvements	2.32	-	-	2.32	-	2.32	1.00	0.86	-	1.86	0.45	1.31
(C)	Dredging	353.54	1,308.52	-	1,662.06	-	1,662.06	26.57	22.77	-	49.34	1,612.72	326.97
(D)	Buildings	2,177.84	30.41	-	2,208.25	(541.18)	1,667.07	147.01	33.94	-	180.95	1,486.12	1,489.65
(E)	Plant and machinery	4,384.98	727.87	(124.41)	4,988.44	(1,559.77)	3,428.67	709.69	178.93	(67.82)	820.80	2,607.86	2,105.11
(F)	Railway sidings	131.56	-	-	131.56	-	131.56	14.01	6.25	-	20.26	111.29	117.54
(G)	Furniture and fixtures	22.16	2.89	(0.01)	25.04	-	25.04	11.97	1.49	-	13.46	11.59	10.19
(H)	Vehicles	19.65	1.13	(3.40)	17.38	-	17.38	10.29	1.74	(2.31)	9.72	7.66	9.37
	TOTAL	7,384.23	2,085.98	(127.82)	9,342.39	(2,153.72)	7,188.67	920.54	245.97	(70.13)	1,096.39	6,092.28	4,300.00

as at 31 December 2007

(Rs. in millions)

	Particulars	Gross Block						Depreciation				Net Block	
		As at 1.1.2007	Additions during the Year	Disposal/ Adjusted during the Year	As at 31.12.2007	Asset Impairment	As at 31.12.2007	Up to 1.1.2007	Depreciation during the Year	Disposal/ Adjusted during the Year	Up to 31.12.2007	As at 31.12.2007	As at 31.12.2006
Tangible Fixed Assets													
(A)	Land and site development		1.98	-	309.32		256.55	-	-	-	-	256.55	254.57

(Rs. in millions)

Particulars		Gross Block						Depreciation				Net Block	
		As at 1.1.2007	Additions during the Year	Disposal/ Adjusted during the Year	As at 31.12.2007	Asset Impairment	As at 31.12.2007	Up to 1.1.2007	Depreciation during the Year	Disposal/ Adjusted during the Year	Up to 31.12.2007	As at 31.12.2007	As at 31.12.2006
		307.34				(52.77)							
(B)	Leasehold improvements	2.32	4.15	-	6.47	-	6.47	1.86	0.97	-	2.83	3.64	0.45
(C)	Dredging	1,662.06	121.96	-	1,784.02	-	1,784.02	49.34	35.13	-	84.47	1,699.55	1,612.72
(D)	Buildings	2,208.25	82.03	-	2,290.28	(537.96)	1,752.32	180.95	33.97	-	214.92	1,537.40	1,486.12
(E)	Plant and machinery	4,988.44	59.92	(405.08)	4,643.28	(1,344.70)	3,298.58	820.80	182.36	(64.66)	938.50	2,360.08	2,607.86
(F)	Railway sidings	131.56	-	-	131.56	-	131.56	20.26	6.21	-	26.47	105.09	111.29
(G)	Furniture and fixtures	25.04	1.19	(0.04)	26.19	-	26.19	13.46	1.87	(0.01)	15.32	10.87	11.59
(H)	Vehicles	17.38	2.35	(0.80)	18.93	-	18.93	9.72	1.53	(0.66)	10.59	8.34	7.66
Sub-total (A)		9,342.39	273.58	(405.92)	9,210.05	(1,935.43)	7,274.62	1,096.39	262.04	(65.33)	1,293.10	5,981.52	6,092.26
Intangible Fixed Assets													
(A)	Computer software	-	44.51	-	44.51	-	44.51	-	5.01	-	5.01	39.50	-
Sub-total (A)		-	44.51	-	44.51	-	44.51	-	5.01	-	5.01	39.50	-
TOTAL		9,342.39	318.09	(405.92)	9,254.56	(1,935.43)	7,319.13	1,096.39	267.05	(65.33)	1,298.11	6,021.02	6,092.26

as at 31 March 2008

	Particulars	Gross Block				Accumulated Depreciation / Impairment						Net block	
		As at 1.1.2008	Additions during the period	Disposal / Adjustment during the period	As at 31.3.2008	Up to 1.1.2008 Depreciation	Up to 1.1.2008 Impairment	Depreciation during the period	Disposal / Adjustment during the period	Up to 31.3.2008 Depreciation	Up to 31.3.2008 Impairment	As at 31.3.2008	As at 31.12.2007
	Tangible Fixed Assets												
(A)	Land and site development	309.32	-	-	309.32	-	52.77	-	-	-	52.77	256.55	256.55

	Particulars	Gross Block				Accumulated Depreciation / Impairment						Net block	
		As at 1.1.2008	Additions during the period	Disposal / Adjustment during the period	As at 31.3.2008	Up to 1.1.2008 Depreciation	Up to 1.1.2008 Impairment	Depreciation during the period	Disposal / Adjustment during the period	Up to 31.3.2008 Depreciation	Up to 31.3.2008 Impairment	As at 31.3.2008	As at 31.12.2007
(B)	Leasehold improvements	6.47		-	6.47	2.83	-	0.33	-	3.16	-	3.31	3.64
(C)	Dredging	1,784.02	-	-	1,784.02	84.47	-	8.92	-	93.39	-	1,690.63	1,699.55
(D)	Buildings	2,290.28	37.33	-	2,327.61	214.92	537.96	8.66	-	223.58	537.96	1,566.07	1,537.40
(E)	Plant and machinery	4,643.28	1,409.47	-	6,052.75	938.50	1344.70	57.26	-	995.76	1344.70	3,712.28	2,360.08
(F)	Railway sidings	131.56		-	131.56	26.47	-	1.55	-	28.02	-	103.54	105.09
(G)	Furniture and fixtures	26.19	0.36	-	26.55	15.32	-	0.37	-	15.69	-	10.86	10.87
(H)	Vehicles	18.93	0.35	-	19.28	10.59	-	0.41	-	11.00	-	8.28	8.34
	Sub Total – A	**9,210.05**	**1,447.51**	**-**	**10,657.56**	**1,293.10**	**1935.43**	**77.51**	**-**	**1,370.61**	**1935.43**	**7,351.53**	**5,981.52**
	Intangible Fixed Assets												
(A)	Computer Software	44.51	-		44.51	5.01	-	2.25		7.26	-	37.25	39.50
	Sub Total - B	**44.51**	**-**	**-**	**44.51**	**5.01**	**-**	**2.25**	**-**	**7.26**	**-**	**37.25**	**39.50**
	Grand Total (A + B)	**9,254.56**	**1,447.51**	**-**	**10,702.07**	**1,298.11**	**1935.43**	**79.76**	**-**	**1,377.86**	**1935.43**	**7,388.78**	**6,021.02**

Notes :

1 . Land and site development includes

- freehold land Rs. 65.85 million and
- land acquired for rail project to connect Port of Pipavav, not owned by the Company Rs. 1.57 million
- land includes Rs. 11.33 million acquired to hand over to Government of Gujarat (GoG) in exchange of land survey 109, pursuant to Gujarat High Court order. Formality relating to transfer of title of the said land in the name of the Company is yet to be completed.
- freehold land for Mar'03 & Mar'04 includes Rs.1.57 million, being land acquired for rail project, to connect port of Pipavav, not owned by the Company.
- land for the year Mar'03 includes Rs.35.71 million, the title for which is in the process of being transferred to the Company.
- For the year ended Mar'05, additions of Rs.105.14 million to land and site development represents development costs incurred on land taken by the Company, on termination of sub-lease, based on independent engineer's report.

2 . Buildings includes expenditure of Rs 369.99 million (Mar'03 Rs.371.43 million) on roads at the port, built on land not owned by the Company.

3 . Additions during the 3 months period include Rs.1353.01 million (Dec'07: Rs.137.34 million, Dec'06: Rs.2,001.69 million, Dec'05: Rs.95.17 million, Mar'05: Rs.373.35, Mar'04: Rs.337.29 million, being the capitalisation of project work-in-progress.

4. Additions for Mar'03 includes Rs.6,053.40 million being capitalisation of project work-in-progress assets and pre-operative expenses (including borrowing costs) on commencement of commercial operations in April 2002.

4 . Additions to gross block include Rs. 13.21 million, (Dec'07: Rs.4.25 million, Dec'06: Rs.20.83 million), on account of capitalisation of borrowing cost

5. Exchange gain / (loss) on foreign currency borrowing for Dec'06: (Rs. 2.68 million), Dec'05: Rs.4.42 million, Mar'05: Rs.1.76 million, Mar'04: (Rs.14.63 million), Mar'03: Rs.8.65 million is included in gross block of plant and machinery.

6. During the year ended 31 December 2007, an amount of Rs. 218.29 million being impairment loss on Plant & Machinery has been revered on account of demolition liquid jetty.

7. During the year ended 31 December 2006, an amount of Rs.10.42 million being impairment loss on plant & machinery has been reversed on account of its sale.

8. Depreciation Dec'07 with respect to plant and machinery is net of excess depreciation of earlier years written back, Rs.4.18 million.

Schedule 7: Capital Work-in Progress

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Project work in progress	3,173.41	2,840.26	2,351.09	407.18	403.83	307.44	2,982.05
Less: Assets capitalised	(1,353.01)	(137.34)	(2,001.69)	(95.17)	(359.15)	(301.49)	(2,742.63)
	1,820.40	2,702.92	349.40	312.01	44.68	5.95	239.42
Advance for Capital Goods - Considered good	77.91	51.05	190.49	3.46	22.65	127.77	2.38
- Considered doubtful	-	-	-	9.67	9.67	9.67	9.67
Less: Provision for doubtful advances	-	-	-	(9.67)	(9.67)	(9.67)	(9.67)
	77.91	51.05	190.49	3.46	22.65	127.77	2.38
Capital stores	-	-	-	-	-	0.33	0.67
Expenditure pending allocation, net (refer Schedule 7A)	338.02	338.90	254.09	181.96	34.00	37.26	88.85
	2,236.33	**3,092.87**	**793.98**	**497.43**	**101.33**	**171.31**	**331.32**

Note:
Expenditure directly related to the construction activity, in the nature of work certified by the Company, advances given for construction or purchase of capital equipment and other directly related expenditure has been included under capital work-in-progress

Schedule 7A: Expenditure pending allocation (net)

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Balance at the beginning of the period	338.90	254.09	181.96	34.00	37.26	88.85	3,360.94
Administration and other expenses	61.01	79.92	73.51	49.88	3.52	17.31	25.95
Borrowing costs	31.70	59.38	31.77	100.61	15.70	14.40	11.33
	92.71	139.30	105.28	150.49	19.22	31.71	37.28
	431.61	393.39	287.24	184.49	56.48	120.57	3,398.22
Add: Expenses transferred from project work in progress on reclassification	-	-	-	-	-	-	24.31
Less: Interest written back	-	-	-	-	-	-	22.91
	431.61	393.39	287.24	184.49	56.48	120.57	3,399.62
Less: Expenditure capitalised	93.59	38.29	33.15	-	14.20	35.79	3,310.77
Less: Expenditure charged to profit and loss account	-	16.20	-	2.53	8.28	47.51	-
	338.02	**338.90**	**254.09**	**181.96**	**34.00**	**37.26**	**88.85**

Also refer note 3 to Schedule 15

Schedule 8: Investments

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Long term - Quoted 54,400 Equity shares of Dena Bank of Rs.10 each, fully paid	-	-	-	-	-	-	1.63
Long term - Non trade (Unquoted) 71,000,005 Equity shares of Rs. 10 each of PRCL, fully paid up	780.00	780.00	780.00	780.00	-	-	-

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
50,000,000 Equity shares of Rs. 10 each of PRCL, fully paid up	-	-	-	-	570.00	-	500.00
Total	780.00	780.00	780.00	780.00	570.00	-	501.63
Market value of quoted investment							0.64

Note:
For the year ended 31 March 2003, the investment in Pipavav Railway Corporation Limited (PRCL), is out of funds provided by Sea King Infrastructure Limited (SKIL), the promoter of the Company, and was held on behalf of SKIL.

During the year 2003-04, the investment in PRCL (held on behalf of SKIL), has been transferred to SKIL, promoter, pursuant to the terms of agreement and in full repayment of loan of Rs.500,000,000 availed from promoter.

During the year 2004-05, the investment held by SKIL Infrastructure Ltd. (SKIL) promoter, in PRCL, has been transferred to the Company pursuant to the terms of agreement. The transfer formalities have been completed subsequent to the balance sheet date.

During the year 2006, 5 shares have been transferred in the name of the Company by nominees.

Schedule 9: Current Assets, Loans and Advances

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
A. Current assets							
Inventories							
Stores and Spares	42.53	41.69	22.18	10.97	15.28	11.29	9.56
Fuel and Lubricants	4.33	3.78	4.48	3.03	2.93	-	-
	46.86	**45.47**	**26.66**	**14.00**	**18.21**	**11.29**	**9.56**
Sundry debtors (Unsecured)							
Debts outstanding for a period exceeding six months							
- considered good	1.65	1.26	1.59	0.98	2.09	0.12	0.11
- considered doubtful	1.43	0.57	2.15	1.10	0.07	0.24	5.92
Other debts							
- considered good	44.43	33.23	96.07	43.92	27.15	7.55	1.77
- considered doubtful	0.65	0.29	0.83	0.04	-	-	-
Less: Provision for doubtful debts	(2.08)	(0.86)	(2.98)	1.14	(0.07)	(0.24)	(5.92)
	46.08	**34.49**	**97.64**	**44.90**	**29.24**	**7.67**	**1.88**
Cash and bank balances							
Cash and cheques in hand including in transit	0.05	0.10	0.08	0.09	0.07	1.39	0.36
Balances with Scheduled banks							
- On Current	7.24	25.08	91.64	167.67	12.75	11.99	3.26
- On Deposit accounts	1,893.00	2,520.03	389.12	652.37	82.40	20.13	29.08
	1,900.29	**2,545.21**	**480.84**	**820.13**	**95.22**	**33.49**	**32.70**

Notes:

1. Balance with scheduled banks in deposit account includes unutilised right issue money of Rs 1,208.20 million as on 31 March 2008 (2007: Rs.2,316.48 million).
2. Deposit of Rs 29.03 million as on 31 March 2008 (2007: Rs.19.23 million & 2006: Rs.9.67 million) with banks are on lien against bank guarantee issued to third parties.

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Other current assets							
Interest accrued on loans and advances	41.54	17.00	19.99	-	-	-	-
	41.54	**17.00**	**19.99**	**-**	**-**	**-**	**-**
B. Loans & advances (Unsecured, considered good- unless otherwise stated)							
Advances recoverable in cash or in kind or for value to be received							
- considered good	89.84	174.66	128.58	63.01	38.52	78.08	79.52
- considered doubtful	11.78	11.78	11.78	-	-	-	-
Less: Provision for doubtful advances	(11.78)	(11.78)	(11.78)	-	-	-	-
Prepaid expenses	65.76	-	-	-	-	-	-
Due from SKIL Group, ex-promoter (Note 1)	94.22	94.22	94.22	221.33	220.00	177.18	170.90
Inter corporate loan	-	-	-	-	-	100.00	100.00
Interest accrued on above loan	-	-	-	14.87	-	49.75	40.46
Advance against investment (Note 2)	11.15	11.15	11.15	11.15	11.15	11.95	11.90
Share application money, pending allotment	50.00	50.00	50.00	50.00	-	-	-
Sundry deposits and short term advances	23.34	24.51	31.13	27.41	30.54	41.55	49.21
Income tax receivable	38.69	13.18	3.44	1.49	9.05	14.53	32.45

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
	373.00	**367.72**	**318.52**	**389.26**	**309.26**	**473.04**	**484.44**

Notes:

1. SKIL Infrastructure Ltd. (SKIL), has agreed to discharge the aforesaid obligation with interest and the obligation is guaranteed by a director of SKIL. During the year 2006, the Company has adjusted a sum of Rs.127.28 million (net of TDS) payable to Pipavav Shipyard Limited (formerly known as Pipavav Ship Dismantling and Engineering Ltd.) against Due from ex-promoter as per confirmation received from Pipavav Shipyard Limited.
2. Advance against investment relates to expenditure spent by the Company on the formation and other expenses of the Rail Special Purpose Vehicle (SPV), Pipavav Railway Corporation Limited (PRCL) on its behalf which is pending approval of Ministry of Railways (MOR). This expenditure would be adjusted towards equity share capital of PRCL after review by MOR. MOR has approved Rs 2.65 million and the Company has taken up matter with PRCL and MOR for approval of the remaining expenses.
3. Upto year ended March' 2004, advances include Rs 0.82 million due from ex-whole time director. Maximum amount outstanding during earlier years: Rs.0.82 million.

Schedule 10: Current liabilities and Provisions

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Current liabilities:							
Sundry creditors for capital goods	283.15	34.00	186.07	228.26	51.37	72.36	73.72
Sundry creditors for expenses	787.22	38.35	155.38	263.86	206.15	126.86	113.69
Sundry creditors for investments			-	-	420.00	-	
Security deposits	82.95	79.92	55.55	45.11	48.15	41.98	40.61
Interest accrued but not due	57.22	54.32	24.21	8.25	34.26	0.89	60.28
Outstanding salary	1.47	0.38	0.04	-	-		-
Advance from customers	102.16	119.93	104.90	95.87	94.46	96.77	92.07
Book overdraft	423.70	-	-	-	6.09	-	-
Acceptances	-	-	-	-	101.60	103.98	254.83
Other current liabilities	72.69	335.96	23.70	29.17	8.12	5.45	12.56
	1,810.56	**662.86**	**549.84**	**670.52**	**970.20**	**448.29**	**647.76**

Notes:

1 Advances received from customers include Rs 88.73 million, pursuant to a 25 years agreement with a customer which represents a one time premium received by the company. The customer has sought refund of the same, which is contested by the Company based on legal opinion. The customer has initiated arbitration proceedings for recovery, which is being defended by the Company. Based on legal advice, no provision for income tax has been made on such premium.

2 Current liabilities includes Rs. 1,078.78 million payable within one year (Dec'07: 506.76, Dec'06: Rs.408.18 million, Dec'05: Rs.538.17 million, Mar'05: Rs.848.12 million, Mar'04: Rs.325.33 million, Mar'03: Rs.512.15 million)

(Rs. in millions)

Particulars	As at 31-Mar-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 31-Mar-03
Provisions							
Taxation	3.12	3.05	3.05	2.95	3.84	3.22	29.03
Gratuity	2.17	3.55	1.91	0.20	-	0.42	1.10
Leave encashment	3.25	5.46	9.16	6.55	3.56	2.18	1.25
Claims	269.88	1,155.08	533.93	143.82	107.85	67.00	-
Premium on redemption of Preference shares (Refer note no.9 to Schedule 15)	188.8	-	-	-	-	-	-
Exchange loss on forward exchange contract	-	-	36.93	-	-	-	-
Others	-	-	83.58	1.54	-	-	20.00
	467.22	**1,167.14**	**668.56**	**155.06**	**115.25**	**72.82**	**51.38**

Schedule 11: Operating revenue

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Marine Services	67.67	304.35	250.40	107.74	145.29	115.65	109.28
Birth hire	35.24	110.58	103.36	61.56	89.96	50.43	39.61
Wharfage	16.84	88.83	112.38	86.68	93.89	77.65	75.97
Container handling	167.39	575.80	417.96	189.71	179.91	50.13	26.01
Yard operations	17.48	94.37	88.74	50.42	69.79	34.34	27.77
Stevedorage	67.65	260.75	290.46	140.30	126.21	107.64	-
User rent	3.25	20.49	17.39	10.92	14.88	12.93	13.19
Others	16.30	60.87	68.94	28.90	42.16	44.07	31.57
	391.82	**1,516.04**	**1,349.63**	**676.23**	**762.09**	**492.84**	**323.40**

Schedule 12: Other income

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Interest received on bank deposits (TDS Rs 19.04 mio., Dec'07: Rs 0.98 mio., Dec'06: Rs 0.05 mio., Dec'05: Nil, Mar'05: Nil, Mar'04: Rs 0.06 mio. & Mar'03: Rs 1.60 mio.)	47.03	112.74	21.80	11.04	5.04	1.10	8.43
Interest received on advances	4.55	17.70	13.61	6.84	4.81	10.67	8.73
Dividend	-	-	-	-	-	-	0.05
Miscellaneous receipts	0.69	1.34	1.82	0.31	2.83	5.38	0.77
Insurance claims	-	1.82	10.04	-	-	-	-
Exchange gain (net)	-	-	1.80	11.73	7.33	0.75	-
Sundry balances written back	-	7.81	0.01	-	1.68	2.31	0.20
Profit on sale of assets (net)	-	-	17.55	-	-	-	
Profit on sale of investments	-	-	-	-	-	-	1.17
	52.27	**141.41**	**66.63**	**29.92**	**21.69**	**20.21**	**19.35**

Schedule 13: Operation and other expenses

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
A. Operational expenses							
Pilotage and other services	-	-	-	-	-	5.53	13.76
Equipment hire	74.40	298.55	191.10	80.17	122.04	99.21	89.91
Stevedoring charges	41.16	143.68	160.93	67.10	55.99	78.21	-
Waterfront royalty	6.54	23.24	22.40	15.97	23.43	12.69	9.80
Power and fuel	28.58	112.04	103.52	56.84	43.77	15.16	14.86
Security expenses	-	-	-	-	-	5.68	4.81
Others	5.79	21.29	10.33	9.92	14.22	3.66	4.56
(A)	156.47	598.80	488.28	230.00	259.45	220.14	137.70
B. Repairs & Maintenance							
Buildings	11.58	10.03	93.80	7.03	8.79	8.54	1.56
Plant and machinery	26.89	77.25	37.01	26.33	26.83	11.67	4.43
Vehicles	-	-	-	-	-	4.90	4.07
Others	10.29	25.03	8.00	12.90	6.49	2.32	1.27
(B)	48.76	112.31	138.81	46.26	42.11	27.43	11.33
C. Personnel Cost							

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Salaries, wages and bonus	38.36	123.11	95.57	56.08	55.61	59.30	66.62
Contribution to PF & other funds	2.56	8.62	5.67	2.89	3.90	1.95	3.05
Staff welfare	3.77	6.62	5.05	2.74	3.25	2.96	3.45
Gratuity	1.04	-	-	-	-	-	-
(C)	45.73	138.35	106.29	61.71	62.76	64.21	73.12
D. Administration and other expenses							
Rent	4.63	10.98	8.38	4.17	11.56	12.02	12.64
Lease rent	1.61	6.13	5.60	4.20	5.41	7.08	5.20
Rates and taxes	1.03	5.02	4.64	4.27	7.88	6.64	0.76
Insurance	5.85	30.82	31.76	12.48	16.03	15.50	21.57
Travelling expenses	13.52	29.08	21.54	12.56	14.83	20.37	27.08
Communication expenses	2.66	7.04	4.79	2.89	3.95	5.24	5.91
Legal, consultancy and professional fees	72.33	134.52	90.54	62.90	17.74	26.83	43.19
Advertisement and business promotion	0.41	3.34	2.67	1.42	2.30	23.36	6.06
Auditors' remuneration	0.66	2.56	2.44	1.65	1.40	1.40	1.21
Loss on sale / discard of assets	-	-	-	0.46	0.69	4.73	1.29
Sundry balances written off	-	-	0.02	0.02	0.53	1.53	0.03
Donations	0.05	0.14	0.41	0.11	0.10	0.22	0.08
Bad debts	0.02	0.33	-	-	0.06		
Director's sitting fees	-	-	-	0.01	0.02	0.02	0.03
Exchange loss (net)	5.00	55.10	-	-	-	-	-
Provision for doubtful debts and advances (net of reversal)	1.22	-	2.41	2.61	-	0.24	(0.11)
Loss on sale of investments	-	-	-	-	-	0.08	-
Provision for claims	175.48	621.91	400.00	100.00	65.00	-	-
Miscellaneous expenses	14.38	60.19	19.41	13.37	17.20	8.61	16.93
	298.85	967.16	594.61	223.12	164.70	133.87	141.87
Less: Administration and other expenses capitalised during the year (refer schedule 7A)	61.01	79.92	73.51	49.88	3.52	17.31	25.96
(D)	237.84	887.24	521.10	173.24	161.18	116.56	115.91
E. Exceptional items							
Consultancy expenses	-	-	-	-	-	47.51	-
Provision for contingencies	-	-	-	-	-	50.00	-
(E)	-	-	-	-	-	97.51	-
Total(A + B + C + D + E)	**488.80**	**1,736.70**	**1,254.48**	**511.21**	**525.50**	**525.85**	**338.06**

Schedule 14: Borrowing cost

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Interest							
- On debentures	-	-	63.06	44.80	59.81	2.32	2.39
- On term loans	107.31	441.23	427.24	256.05	364.52	414.75	400.70
- Others	2.76	28.25	13.42	3.64	18.71	3.38	3.74

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Financial charges	0.38	1.50	1.50	106.15	11.39	4.35	9.33
	110.45	470.98	505.22	410.64	454.43	424.80	416.16
Less: Borrowing cost capitalised during the year (refer Schedule 7A)	31.70	59.38	31.77	100.61	15.70	14.40	11.33
	78.75	411.60	473.45	310.03	438.73	410.40	404.83

Schedule 15: Significant Accounting Policies and Notes to financial statements

1. Background

i. Gujarat Pipavav Port Limited, ("the Company") was incorporated on 5 August 1992 to construct, operate and maintain an all weather port at Pipavav, District Amreli, in the State of Gujarat.

ii. The port is designed to handle bulk, container and liquid cargo and to provide ancillary port services such as marine services, material handling, transit and storage operations.

iii. The Company has entered into a 30 year Concession Agreement with Government of Gujarat and Gujarat Maritime Board (GMB) dated 30 September 1998 to engage in the business of developing, constructing, operating and maintaining the port on a BOOT (Build Own Operate Transfer) basis. In certain events of default as per Concession Agreement, GMB has the step-in right by payment of consideration as per the agreement.

iv. AP Moller-Maersk group together with certain financial investors acquired the complete shareholdings held by the original promoter viz. SKIL group, on receipt of approval from Government of Gujarat and GMB during 2005. Accordingly AP Moller-Maersk group has become the key promoter of the Company with management control.

2. Basis of preparation of financial statements

I. The financial statements have been prepared on a going concern basis and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

II. Going Concern

The Company's management believes that the Company will be able to meet its debts and other financial obligations as on 31 March 2008 and in the foreseeable future as and when they fall due based on the following mitigating factors.

i. Debt of Rs 5,962.58 million tied up with IDFC and other lenders, of which Rs 3,281.56 million has been drawn down till 31 March 2008;

ii. Expansion plan under implementation;

iii Updated cash flow projections as prepared by the management based on Business plan approved by Board of Directors

iv Sponsor support provided by A.P.Moller – Maersk A/S for an amount not exceeding Rs 3,266 million in terms of Sponsor Support Agreement entered into between the Company, New Lenders and A.P.Moller – Maersk A/S; and v Issue of 83,603,757 new equity shares of Rs 10/- each issued at a premium of Rs 40/- per share on rights basis to existing share holders during the year 2007. The issue was fully subscribed and Company has received the full consideration of Rs 4,180.19 million including share premium.

Accordingly these financial statements are prepared on a going concern basis. Management is of the opinion that no further adjustments are required to the recoverability and classification of the carrying amounts of the assets.

III. Use of Estimates:

The preparation of financial statements is in conformity with the generally accepted accounting principles often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Project status

Year 2002-03

During the implementation of the initial phase of creation of basic port facilities, the Company, undertook the implementation of an expansion cum upgradation programme, after substantially tying funds for the same. Accordingly, project activities, though carried concurrently for a period of time, had two distinct phases:

a. Port facility envisaged at the time of entering into an agreement with GMB (“initial phase”); and

b. The expansion cum upgradation of the above facility (“upgradation phase”)
On completion of the key facilities at the port, after successfully completing trial runs, the Company declared the initial phase of the port ready for commercial operations in April 2002. Thus the Company has prepared a profit and loss account for the first time for the period from 1 April 2002 to 31 March 2003.

The expansion cum upgradation phase was under implementation. However, in accordance with the requirements of Accounting Standard 10- Accounting for fixed assets, expenditure on certain assets (including related pre-operative expenses), which were ready and put to use prior to 1 April 2002 have been capitalised by the Company in April 2002. The balance costs associated with the expansion cum upgradation project would be capitalised prospectively.

Year 2003-04

d. The expansion cum up-gradation project undertaken by the company in the past was preclosed and capitalised during the year, consequent to finalisation of plant to implement Container terminal project at port of Pipavav. The undrawn debt of Rs.963.50 million sanctioned by Financial Institutions for the expansion cum upgradation project have not been utilised and cancelled.

e. Due to change in the implementation plan for the project, certain consultancy expenses have been charged to profit and loss account.

4. Significant accounting policies

I. Tangible Fixed assets and depreciation

i. Tangible Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes:

a) Preoperative expenses incidental and related to construction of the port facility upto the date of commencement of commercial operations, net of income earned from pre-commercial operations during the construction period;

b) Inward freight, duties, taxes and expenses incidental to construction, acquisition and installation; and

c) Financing costs in relation to the specific borrowings for fixed assets upto the date the assets are put to use. In the case of general borrowing, the financing costs are included as part of preoperative expenses.

ii. Pre-operative expenses incidental and related to construction of the respective assets have been included under “Expenditure pending allocation– Net”. Such expenditure has been capitalized to fixed assets on completion, in accordance with the generally accepted accounting principles.

iii. Depreciation

Depreciation on tangible fixed assets is provided on straight line basis (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of following fixed assets, which are depreciated at different rates:

a) Expenditure on roads constructed on land not owned by the Company –over the remaining concession period

b) Capital Dredging - at 2% p.a.

c) Second hand Quay Cranes – First 5 year at 15% p.a. and next five years at 5% p.a.

iv. Assets individually costing upto rupees five thousand are fully depreciated in the period / year of acquisition.

v. In accordance with Accounting Standard 28 – Impairment of assets (AS 28), the carrying amounts of the Company’s assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

vi. Upto the year ended 31 March 2002, fixed assets were depreciated over their estimated life or Schedule XIV rates, whichever is higher, by restricting the estimated useful life to the end of the concession period. During the year, the company has changed the basis of depreciation to depreciating its fixed assets over their estimated useful life or Schedule XIV rates, whichever is higher, without restricting the estimated useful life to the end of the concession period. Management believes that it is unlikely that the company will incur any loss on the transfer of asset, since the transfer is based on the depreciated replacement value. Had the company continued to use the earlier basis of depreciation, the depreciation charge, the loss for the year ended 31 March 2003 and accumulated losses at 31 March 2003 would have been higher by Rs.1,209.

II. Intangible Asset

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised. Intangible assets are amortised over the useful life of the assets.

III. Foreign currency transactions

a. Foreign currency transactions are recorded using the rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period / year are recognized in the profit and loss account of the period / year, except exchange difference related to acquisition of fixed assets from countries outside India, which are adjusted in the carrying amount of the related fixed assets upto 31 December 2006.

W.e.f. 1 January 2007, as per the Accounting Standard 11- The Effects of Changes in Foreign Exchange Rates (revised 2003) as notified under Companies (Accounting Standard) Rules, 2006, exchange differences related to acquisition of imported fixed assets, is charged to profit & loss account.

b. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account, except those related to acquisition of fixed assets from countries outside India, which are adjusted in the carrying amount of the related fixed assets upto 31 December 2006.

W.e.f. 1 January 2007, as per the Accounting Standard 11- The Effects of Changes in Foreign Exchange Rates (revised 2003) as notified under Companies (Accounting Standard) Rules, 2006, exchange differences related to acquisition of imported fixed assets, is charged to profit & loss account.

c. Effective 1 January 2007, exchange difference arising on mark to market on outstanding forward exchange contracts entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction is recognized in the profit and loss account.

Premium in respect of forward contracts, are recognized over the life of contract, and exchange difference arising on renewal or cancellation of forward exchange contracts are recognized in the profit and loss account.

IV. Investments

Long-term investments are stated at cost and quoted current investment at lower of cost or market value. Provision for diminution in the value of long term investments is made only if such decline is of a permanent nature.

V. Inventories

Stores and spare parts, fuel and lubricants are valued at cost or net realisable value whichever is lower; the cost is calculated on FIFO basis. W.e.f. 1 April 2005, systematic provisioning is made for inventories held for more than a year.

VI. Revenue recognition

i Revenue from operations is recognised as and when services are performed. Revenue is exclusive of Service Tax and Education Cess wherever applicable.

ii Interest income is recognised on a time proportion basis at the applicable interest rates.

iii Dividend income is recognised in the year in which the right to receive is established.

VII. Employee retirement benefits

During the year 2002-03, the Company has changed its method of valuation of leave encashment costs from accounting its on accrual basis, based on number of days of leave balance standing to the credit of the employee and at the last drawn salary, to an independent actuarial valuation carried out at the year end. Had the Company continued to use the earlier basis of valuation of leave encashment costs, the loss for the year 2002-03 and accumulated losses as on 31 March 2003 would have been higher by Rs 675.

Upto 31 December 2006, Company's contribution to a recognised providend Fund is provided for in the year in which the contribution was due. The Company was funding its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity cum Life Assurance (Cash Accumulation) Scheme. Annual contributions to the scheme, based on acturial valuation by LIC, were charged to the profit and loss account. Leave encashment liability was determined, based on an independent actuarial valuation carried out at the year-end.

With effect from 1 January 2007, consequent to Accounting Standard 15 (revised) – Employee benefits becoming applicable, employee retirement benefits are accounted as follows:

Contributions payable to the recognized Provident Fund, which is defined contribution schemes, is charged to the profit and loss account during the period in which the employee renders the related service. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value and the fair value of any plan assets is deducted to arrive at the net obligation.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to one additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the profit and loss account.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity cum Life Assurance (Cash Accumulation) Scheme.

Liability on account of compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services is actuarially valued.

VIII. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account as and when incurred.

IX. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period / year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

Provision for Fringe Benefit Tax is made on the basis of expenditure incurred on employees/ other expenditure as prescribed under the Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

X. Insurance Claims

The Company recognises insurance claims when the recoverability of the claims is established with a reasonable certainty.

XI. Provisions and Contingent liabilities

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. In case of certain litigations, legal opinions are obtained as necessary to support management estimates.

XII. Earnings per share (EPS)

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period / year by the weighted average number of equity shares outstanding during the period / year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period / year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period / year, except where the results would be anti-dilutive.

XIII. Miscellaneous expenditure:

Preliminary expenditure incurred in connection with the formation of the Company and share issue expenses have been adjusted against the balance in share premium account in accordance with the provisions of sub section (2) of section 78 of the Companies Act, 1956.
Indirect expenditure incurred during the construction period, which are not directly or indirectly related to construction and treated as Deferred Revenue Expenditure in earlier years have been written off to the Profit and loss account. The expenses mainly comprise of business development expenses, donations, assets written off and other expenses.

5. Exceptional items

a. During the year 2004-05 the company entered into a new agreement with Pipavav Ship Dismantling & Engineering Limited (SKIL group), in lieu of the existing land sub-lease agreements with them. Under the new arrangements, in addition to alternative land sites provided, the Company had agreed to pay Pipavav Ship Dismantling & Engineers Limited (SKIL group) an amount of Rs. 130 million.

b. During the year 2006, the management has approved the plan for construction of a new container jetty as a result of which part of the existing liquid jetty was required to be demolished. Based on the management technical evaluation, the Company had provided for Rs 83.58 million towards written down value of demolition. On further evaluation of the plan, the company additionally charged off Rs 38.55 million to profit and loss account during the year 2007.

6. Asset Impairment

During the year 2003-04, the Company had identified its assets whose carrying values had been impaired and having regards to the principles of Accounting Standard 28 – Impairment of Assets (AS 28), the Company had made a provision of Rs 2,164.13 million in respect of such impairment as at 31 March 2004. The impairment loss includes Rs 580.82 million of pre-operative expenses (including Rs 489.91 million towards borrowing costs), which was the subject matter of qualification in the audit report for the year ended 31 March 2003, since these expenses were capitalized in that year.

As at 31 March 2008, the Company has re- assessed the impairment provision and retained the existing provision of Rs 1,935.42 million (after reversal of provision of Rs.218.30 million during the year ended 31 December 2007 and Rs.10.41 million during the year ended 31 December 2006, on sale/discard of assets). For the purpose of impairment testing, the entire port has been considered as a single cash generating unit as the port is a composite facility and can be operated in a commercial feasible manner only if it operates as a combined unit. The recoverable amount is the value in use, in the absence of a readily determinable net selling price.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. The estimated future cash flows have been discounted to their present value using a pre-tax discounting rate

7. Investment in Pipavav Railway Corporation Ltd (PRCL)

a. In the year 2005, pursuant to the shareholders agreement entered into between the company and Ministry of Railways, the Company had subscribed Rs 260 million to the cash calls raised by PRCL. PRCL has allotted the shares for Rs 210 million and balance of Rs 50 million is still pending for allotment.

b. The net worth of PRCL as per latest available audited financial statements for the year ended 31 March 2007, is lower than the cost. However taking into account the expected rise in rail volume on completion of the project which is under implementation and the new business opportunity available to PRCL for running container trains, the company believes that the diminution in value of its investment is only temporary and accordingly no provision is made.

c. Year 2002-03 & 2003-04:

Pursuant to the shareholders agreement entered into between the Company and Ministry of Railways (MOR), the Company was under obligation to subscribe to the cash calls, as and when raised by Pipavav Rail Corporation Limited (PRCL, A Joint Venture Company). Of the cash calls made by PRCL, cash call for Rs. 380,000 is pending subscription by the Company. Delay in subscription entails payment of interest as per contract terms. In the event of failure to subscribe, the Company would have to bear the incremental costs for alternative source of funding if raised by MOR. The Company was working various alternatives to resolve the matter.

8. Corporate Debt Restructuring (CDR)

The existing term loans from Banks and Financial Institutions have been restructured under the Corporate Debt Restructuring (CDR) scheme with effect from 1 October 2003. As per the scheme, part of the outstanding debt has been converted into foreign currency loan (FCL), 8.40% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) and the interest accrued thereon into 10.50% Non Convertible Debenture (NCD). During the year 2006, Corporate Debt Restructuring Cell approved early redemption of NCDs and replaced with Funded Interest Term Loan on similar terms.

One of the conditions for the restructuring of debt is to increase share holding and acquire management control in the Company by AP Moller-Maersk group, which has been fulfilled.

9. Premium on redemption of Preference Share

In terms of the Corporate Debt Restructuring (CDR) scheme approved during November 2003, for the restructure of the debt of the Company, a part of the outstanding debt, due to the lenders of the Company, amounting to Rs. 517.8 Million was converted into 8.4 % Optionally Convertible Cumulative Redeemable Preference Shares (preference shares). The preference shares together with accrued dividend would be redeemed in three years in December 09, December 10 & December 11.

The company sought variation to the terms of issue of preference shares such that the rate of dividend was reduced from 8.4 % to 1 % and Cumulative Preference Shares were made non cumulative. The Company has since altered its Articles and Memorandum of Association. Further, the preference shares would be redeemed at such premium as would provide the holders of preference shares similar yield as the original terms of preference shares would have provided. Accordingly, during the quarter ended 31 March 2008, upon receipt of approval for the scheme of variation from CDR, premium on redemption of 1% Non Cumulative Redeemable Preference Shares has been amortised over its tenure and accordingly Rs.188.80 million as at the Balance Sheet date, has been adjusted against the Securities Premium.

10. Rights issue

During the year 2007, the company issued & subscribed 83,603,757 equity shares of Rs 10 each at a premium of Rs 40 per share on rights basis to the existing shareholders. The rights shares were physically issued / credited to the dematerialisation account of the shareholders. The Company has utilised Rs. 1,863.71 million upto December 2007 and Rs 2,971.99 million upto March 2008 to meet the object of the issue.

11. Commitments

a. Consortium lending commitments

The Company has provided commitment of Rs 350 million towards consortium lending to Pipavav Shipyard Limited (formerly Pipavav Ship Dismantling & Engineering Limited) (SKIL group) conditional to fulfilment of certain obligations by Pipavav Shipyard Limited & other parties which remains unfulfilled and the company has sought discharge of this commitment, which is awaited.

b. Lease Commitments

The Company's leasing arrangement is in respect of a non-cancellable operating lease for the Mumbai office premises. The lease payments recognized in the profit and loss account in respect of the non-cancellable operating leases aggregate as follows:

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Lease payments	0.83	7.66	4.17	4.17	4.62	--	--

The future minimum lease payments payable under non-cancellable operating lease for rented premises are as follows:

(Rs. in millions)

As at	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
Within one year	5.96	5.97	4.17	5.53	5.53	--	--
Within two to five years	5.84	7.33	--	2.50	6.67	--	--
Total	11.80	13.30	4.17	8.03	12.20	--	--

c. Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as follows:

(Rs. in millions)

As at	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
Capital commitments	1,178.34	916.74	2,658.78	1,482.49	153.35	123.01	58.39

12. Provisions, Contingent Liabilities and Contingent Assets

As required by the Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets (AS 29), prescribed by the Companies (Accounting Standards) Rules 2006, given below are brief description of the nature of contingent liabilities recognized by the Company and movements in provision for contingencies.

A. Contingent Liabilities

(Rs. in millions)

As at	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04	31-Mar-03
Bank Guarantees outstanding ..(a)	255.35	157.35	46.72	157.60	154.17	154.17	154.17
Unpaid dividend on 8.4% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS).. (b)	-	152.50	109.01	65.51	32.89		
Dividend distribution tax on unpaid dividend..(c)	-	25.92	15.29	9.19	4.61		
Claims against company not acknowledged as debt, including claim from project contractors							
i. Claim from Suppliers / Consultants	414.67	410.87	651.14	410.72		132.11	113.60
ii. Traffic guarantee liability	132.22	-	838.88	509.89			
iii.Other Claims	212.73	188.94	165.06	145.87	144.41		
Sub Total (i+ii+iii)..(d)	759.62	599.81	1,655.08	1,066.48	144.41	132.11	113.60
Grand Total (a+b+c+d)	1,014.97	935.58	1,826.19	1,298.78	336.08	286.28	267.77
Provision for claims there		33.18	533.93	100.00			

against	269.88

In addition to above:

Year 2004-05

i. Some suppliers / consultants have filed claims amounting to Rs. 409.76 million against the Company. The amounts claimed allegedly pertain to supply of material and services and include interest on unpaid amounts. The Company considers such claims to be frivolous, untenable and based on legal advice, believes that it has a good chance of success. No provision has therefore been made in respect of such claims.

ii. As per the Transportation and Traffic Guarantee Agreement entered into by the Company with Pipavav Railway Corporation Limited (PRCL), the Company is required to guarantee a minimum quantity of freight cargo. The Company is in receipt of request for claim for compensation amounting to Rs 293.64 towards the shortfall in the traffic volume upto 31 March 2005 (Rs. 98.70 million upto 31 March 2005). The Company has represented to PRCL to waive the compensation claim as the shortfall in cargo throughput is due to reasons beyond the control of the Company. The Company is in negotiations with PRCL for waiver of the claim and accordingly no provision is made.

iii. The Company had in earlier years imported capital goods worth Rs 363.15 at concessional rate of duty under Export Promotion Capital Goods ('EPCG') scheme by executing a legal undertaking in favour of Government of India with an obligation to export goods / services and realize foreign exchange to the extent of US $ 36.73 million by December 2004.
The Company is in the process of submitting the details of rupee earnings received from port operations, which are clarified by Reserve Bank of India to be in the nature of "Deemed foreign currency receipts" as a discharge toward its export obligation. It is expected that the claim of the Company would be accepted and discharge certificate would be issued soon.

Year 2003-04

i. Some suppliers / consultants have filed claims of large amounts against the Company. The amounts claimed allegedly pertain to supply of material and services and include interest on unpaid amounts. The Company considers such claims to be frivolous, untenable and based on legal advice, believes that it has a good chance of success. No provision has therefore been made in respect of such claims.

ii. As per the Transportation and Traffic guarantee agreement entered into by the Company with Pipavav Railway Corporation Limited (PRCL), the company has guaranteed a minimum annual aggregate quantity of its freight cargo of 1 million tonnes in the first year i.e. a year commencing from the commercial operations date of the project railway for freight operations. The company is in receipt of request for claim for compensation of Rs. 98,700, towards the shortfall in the traffic volume. The company is in negotiation with PRCL for the waiver of the claim.

iii. The Company had in earlier years imported capital goods worth Rs.363,152 at concessional rate of duty under Export Promotion Capital Goods ('EPCG') scheme by executing a legal undertaking in favour of Government of India with an obligation to export goods / services and realize foreign exchange to the extent of US $ 36.73 Million by December 2004
The Company is in the process of approaching the authorities to consider the rupee earnings received from port operations, which are clarified by Reserve Bank of India to be in the nature of "Deemed foreign currency receipts" as a discharge toward its export obligation. In the event these Rupee earnings are not accepted in discharge of Export Obligation, the liability of the Company as at 31st March 2004 is estimated at Rs. 213,200.

Year 2002-03

i. Some suppliers / consultants have filed claims of large amounts against the Company. The amounts claimed allegedly pertain to supply of material and services and include interest on unpaid amounts. The Company considers such claims to be frivolous, untenable and based on legal advice, believes that it has a good chance of success. No provision has therefore been made in respect of such claims.

ii. There is a dispute between a project contractor and the Company regarding the non-execution of the contract as per the terms and conditions laid down in the contract. The contractor has raised arbitrary demands on the Company against which the Company has filed counter claim. The matter has been referred to an arbitrator. Based on legal advice, the Company has made suitable provision for contingencies.

iii. The Company had in earlier years imported capital goods worth Rs.363,152 at concessional rate of duty under Export Promotion Capital Goods ('EPCG') scheme by executing a legal undertaking in favour of Government of India with an obligation to export goods / services and realize foreign exchange to the extent of US $ 36.73 Million by December 2003.
The Company is in the process of approaching the authorities to consider the rupee earnings received from port operations, which are clarified by Reserve Bank of India to be in the nature of "foreign currency receipts" as a discharge toward its export obligation.

In the event these Rupee earnings are not accepted in discharge of Export Obligation, the liability of the Company as at 31st March 2003 is estimated at Rs.244,800.

Subsequent to the year-end, the Company has applied for and received an extension to fulfil the balance export obligation by December 2004.

Description of Contingent Liabilities

Sr. No.	Contingent Liability	Brief Description
1.	Bank Guarantees	Issued in favour of Government and court.
2.	Claims against Company not acknowledged as debts	The Company is a party to various legal proceedings and has also received various claims in the normal course of business. The Company does not expect the outcome of these proceedings / claims to have a material adverse effect on the Company's financial conditions, results of operation or cash flows.

B. Provisions

a) Movement in provision for claims

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05
Opening balance	1,155.08	533.93	143.82	107.85
Provision made during the period / year	175.47	621.91	400.00	100.00
Utilisation of provision	(1,060.67)	(0.76)	(9.89)	(64-03)
Closing balance	269.88	1,155.08	533.93	143.82

b) Movement in provision for others

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06
Opening balance	-	83.58	-
Provision made during the period / year	-		83.58
Utilisation of provision	-	83.58	-
Closing balance	-	-	83.58

The closing provision is based on management estimates which are supported by advice from the Company's legal counsel. This amount will be utilised towards payment of claims as and when the claims are settled.

13. Traffic Guarantee Shortfall

For the three months ended 31 March 2008

Company has accepted the claim of Pipavav Railway Corporation Limited (PRCL) under Traffic Guarantee Agreement and provided Rs.1192.95 Million upto 31 March 2008. As per the agreed payment plan between Company and PRCL, Company has paid Rs.400 Million to PRCL as on 31 March 2008 towards this claim.

For the year ended 31 December 2007

The Company has been discussions with Pipavav Railway Corporation Limited (PRCL) together with ministry of Railways for resolution of potential claim under the Transportation & Traffic Guarantee Agreement. During the year a sub committee of PRCL Board was constituted to review and consider various options in regard to the settlement of such potential claim. Considering the progress of the matter, the management considers prudent to recognise the liability in the books and accordingly have provided for an amount of Rs,621.91 million, in addition to the provision of Rs.500 million already made in the prior years.

For the year ended 31 December 2006

The Company has proposed deferment of the past shortfall in Traffic Guarantee obligation towards Pipavav Railway Corporation Limited (PRCL) and has offered to shortfall within March 2011. The said proposal accepted by PRCL was recommended to ministry of Railways (MOR) for approval. MOR declined its approval and the Company has taken up the matter afresh for consideration. The Company reasonably believe that there are fair chances of convincing parties for approval of the deferment proposal and expect to fulfil the shortfall in traffic guarantee within the proposed time limit.

14. EPCG Commitment

The Company had imported capital goods at concessional rate of import duty under Export Promotion Capital Goods ('EPCG') scheme by executing a legal undertaking in favour of Government of India with an obligation to export goods / services and realize foreign exchange to the extent of Rs 3,982.58 million by June 2014.

15. Disclosure pursuant to Accounting Standard – 15(Revised)'Employee Benefits'

a. The Company recognised Rs.2.56 million (Rs.1.27) for provident fund contribution in the profit and loss account.

b. Defined benefit plan

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements based on actuarial valuations being carried out as at 31 March 2008.

i) Change in benefit obligations:

Rs in million

	31 Mar 2008	31 Dec 2007
Projected benefit obligation, beginning of the period	8.51	6.12
Service cost	0.49	1.40
Interest cost	0.18	0.56
Actuarial loss	0.36	1.45
Benefit paid	(0.26)	(1.02)
Projected benefit obligation, end of the period	**9.28**	**8.51**

ii) Change in Plan assets:

Fair value of plan asset, beginning of the period	4.96	4.51
Expected return on plan assets	0.14	0.42
Employer's contribution	2.43	1.28
Benefit paid	(0.26)	(1.02)
Actuarial loss	(0.14)	(0.23)
Fair value of plan assets at the end of the period	**7.13**	**4.96**
Excess of obligation over plan asset		**3.55**

iii) Net gratuity cost for the period

Service cost	0.49	1.40
Interest on Defined benefit obligation	0.18	0.56
Expected return on plan assets	(0.14)	(0.42)
Net actuarial gain recognised in the period	0.51	1.68
Net gratuity cost	**1.04**	**3.22**
Actual Return on Plan Assets	**-**	**0.19**

iv) Category of Assets

Insurer Managed Funds	7.13	4.96

v) Assumptions used in accounting for the gratuity plan

Discounting rate	8.00%	8.00%
Salary escalation rate	5.00%	5.00%
Expected rate of return on plan assets	8.00%	8.00%

16. Earning per share

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Net loss for the year (after taxation)	(203.97)	(799.35)	(643.75)	(278.42)	(514.22)	(2,813.63)	(724.35)
Less: Unpaid dividend on Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)	-	(43.49)	(43.50)	(32.62)	(32.89)	-	-
Less: Dividend distribution tax on the above	-	(10.63)	(6.10)	(4.58)	(4.61)	-	-
Net loss (A)	(203.97)	(853.47)	(693.35)	(315.62)	(551.72)	(2,813.63)	(724.35)
Calculation of weighted average number of shares							
No. of equity shares at the beginning of the period / year	293,699,998	210,096,241	196,346,241	160,096,241	160,096,241	160,096,241	160,096,241
No. of equity shares at the end of the period / year	293,699,998	293,699,998	210,096,241	196,346,241	160,096,241	160,096,241	160,096,241
Weighted average no. of equity shares o/s during the period / yr. (B)	293,699,998*	234,994,177	203,221,241	191,596,459	160,096,241	160,096,241	160,096,241
13,750,000 0% Fully convertible Debentures of Rs 40 each. Each debenture is convertible into 1 equity share of Rs 10 each (C)				13,750,000			
Basic and diluted EPS (A/B)	**(0.69)**	**(3.63)**	**(3.41)**	**(1.65)**	**(3.45)**	**(17.57)**	**(4.52)**

*Weighted average number of equity shares used in determining earning per share is after considering the effect of right issue which does not contain bonus element.

The long term loans and Optionally Convertible Cumulative Redeemable Preference Shares have a right to convert into equity shares of the Company at par in the event of default. As on the balance sheet date there are no defaults and therefore these instruments are not considered for calculation of diluted earning per shares.

17. The Company has only one reportable business segment, which is Port services and only one reportable geographical segment, which is the port at Pipavav. Accordingly, the segment information as required by Accounting Standard on Segment Reporting (AS 17), has not been separately disclosed.

18. A. List of related parties and relationship

In the absence of comprehensive list of related parties as envisaged in Accounting Standard on Related Party Disclosures (AS 18), the names of the related parties with whom transaction have taken place during the period / year have been disclosed.

Name of the related party	Relation					
	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04
APM Terminals Mauritius Limited	Holding Company	Holding Company	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----
Maersk India Private Limited- acting as agents for AP Moller- Maersk A/S	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----
Maersk India Private Limited- acting as agents for Safmarine Containers Lines N.V.	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----	----
Safmarine India Private Limited- acting as agents for Safmarine Containers Lines N.V.	----	----	----	Party with substantial interest and its associates	----	----
SKIL Infrastructure Limited (Erstwhile Sea King Infrastructure Limited)	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates
Pipavav Ship Dismantling & Engineering Limited	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates
Grevek Investment and Finance Private Limited	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates
Awaita Properties Private Limited	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates
Managing Director - Mr. Philip Littlejohn	Key Management personnel	Key Management personnel (w.e.f.12-06-2007)	----	----	----	----
Managing Director - Mr. Rajeev Sinha	----	Key Management personnel (upto 07-06-2007)	Key Management personnel	Key Management personnel (w.e.f. 10-11-2005)	----	----
Managing Director - Mr. Hans-Ole Madsen	----	----	----	Key Management personnel (upto 10-11-2005)	Key Management personnel	Key Management personnel (w.e.f. 06-12-2003)

Name of the related party	Relation					
	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04
Managing Director - Mr. Kamal Baluja	----	----	----	----	----	Key Management personnel (upto 05-12-2003)
Gateway Terminals India Private Limited	Fellow Subsidiary	Fellow Subsidiary	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel	----
Maersk India Private Limited	Fellow Subsidiary	Fellow Subsidiary	Party with substantial interest and its associates	Party with substantial interest and its associates	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel
APM Terminals Management B.V. *(formerly APM Terminals International B.V.)*	Fellow Subsidiary	Fellow Subsidiary	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----
Safmarine India Private Limited	----	----	----	----	Enterprise Significantly influenced by Key Management Personnel	----
Pipavav Railway Corporation Limited	Associate	Associate	Associate	Associate	Associate	

B. Related party transactions

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Transactions during the period / year						
Income from port services						
- Party with substantial interest & its associates	122.59	518.95	496.26	228.24	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	234.02	42.25
Rent Income						
- Party with substantial interest & its associates	-	-	2.29	-	1.04	6.13
- Enterprise significantly influenced by Key Management Personnel	-	-	0.53	2.78	1.19	-
- Fellow Subsidiary	0.12	1.83	-	-	-	-
Interest income on Loan						
- Party with substantial interest & its associates	-	-	-	-	4.81	9.29
Rent Expenses						
- Party with substantial interest & its associates	-	-	-	-	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	4.52	9.75
- Fellow Subsidiary	0.83	0.91	-	-	-	-

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Interest expense on Loan						
- Holding Company	4.26	25.95	-	-	-	-
- Party with substantial interest & its associates	-	-	-	2.70	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	9.29	-
Equipment hire charges incurred						
- Party with substantial interest & its associates	-	-	9.90	7.05	1.49	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	9.66	-
- Fellow Subsidiary	-	3.00	-	-	-	-
Professional fees						
- Party with substantial interest & its associates	-	-	12.84	45.54	-	-
- Fellow Subsidiary	-	8.71	-	-	-	-
Other expenses incurred						
- Party with substantial interest & its associates	-	-	0.40	0.81	0.75	18.86
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-
- Fellow Subsidiary	2.59	8.40	-	-	-	-
- Associate	-	-	-	-	9.40	-
Prior period items						
- Party with substantial interest & its associates	-	-	-	-	9.61	-
Other recoveries						
- Party with substantial interest & its associates	-	-	0.05	-	-	12.58
- Enterprise significantly influenced by Key Management Personnel	-	-	-	0.38	-	-
Expenses incurred on their behalf						
- Party with substantial interest & its associates	-	-	-	-	21.07	4.88
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	1.68	-
Exceptional item						
- Party with substantial interest & its associates	-	-	-	-	130.00	-
Exchange Gain						
- Party with substantial interest & its associates	-	-	0.29	0.64	-	-
Land Site development						
- Party with substantial interest & its associates	-	-	-	-	105.14	-
Transfer of Fixed Assets						
- Party with substantial interest & its associates	-	-	-	-	-	6.00
Sale of Investment						
- Party with substantial interest & its associates	-	-	-	-	-	500.00

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Short term advance						
- Party with substantial interest & its associates	1.00	-	-	-	-	-
Equity contributed						
- Holding Company	-	2,481.48	-	-	-	-
- Party with substantial interest & its associates	-	-	-	98.10	570.00	-
- Fellow Subsidiary	-	35.00	-	-	-	-
Unsecured Loan						
- Holding Company	-	279.81	-	-	-	-
Loan repayment						
- Party with substantial interest & its associates	-	-	-	-	-	500.00
Short term loan						
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	285.00	-
Paid to contractors						
- Party with substantial interest & its associates	-	-	65.09	7.24	-	-
- Fellow Subsidiary	0.16	-	-	-	-	-
Claim payable						
- Associate	63.38	621.97				-
Managerial remuneration						
- Key Management Personnel	5.41	13.80	5.19	0.54	-	8.10
Closing balance						
Current account receivable						
- Party with substantial interest & its associates	7.13	2.07	44.09	23.52	220.00	301.05
- Enterprise significantly influenced by Key Management Personnel	-	-	-	0.09	11.33	-
- Fellow Subsidiary	0.17	0.17	-	-	-	-
- Associate	11.15	11.15	11.15	11.15	11.15	-
Current account payable						
- Holding Company	2,889.60	25.95	-	-	-	-
- Party with substantial interest & its associates	-	28.17	31.79	68.21	547.28	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	293.17	3.09
- Fellow Subsidiary	38.63	39.61	-	-	-	-
Claim payable						
- Associate	785.35	1,121.90				-
Unsecured loan						
- Holding Company	283.43	279.81	-	-	-	-
- Party with substantial interest & its associates	-	-	-	-	-	52.86

Out of the above items, transactions in excess of 10% of the total related party transactions as under:

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06
Income from Port Services			
- Maersk India Pvt Ltd- acting as agent for AP Moller-Maersk A/S	102.74	448.37	473.21
- Maersk India Pvt Ltd- acting as agent for Safmarine Container Lines N.V.	19.85	70.58	23.04
- Maersk India Private Limited	-	-	-
- Safmarine India private Limited	-	-	-
Rent Income			
- Gateway Terminals India Private Limited	-	0.50	0.53
- Maersk India Private Limited	0.12	1.33	2.29
- SKIL Infrastructure Limited	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
Interest income on loan			
- Grevek Investment and Finance Private Limited	-	-	-
- SKIL Infrastructure Limited	-	-	-
Rent paid			
- Maersk India Private Limited	0.83	0.91	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- Awaita Properties Private Limited	-	-	-
Interest expense on loan			
- APM Terminals Mauritius Limited	4.26	25.95	-
- Maersk India Private Limited	-	-	-
Equipment hire charges			
- Maersk India Private Limited	-	3.00	9.90
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
Professional fees			
- APM Terminals Management B.V.	-	8.71	12.84
- SKIL Infrastructure Limited	-	-	-
Other expenses incurred			
- APM Terminals Management B.V.	0.59	8.40	0.40
- Maersk India Private Limited	2.00	-	-
- SKIL Infrastructure Limited	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- Awaita Properties Private Limited	-	-	-
- Pipavav Railway Corporation Limited	-	-	-
Other recoveries			
- Gateway Terminals India Private Limited	-	-	0.05
- SKIL Infrastructure Limited	-	-	-
Expenses incurred on their behalf			
- SKIL Infrastructure Limited	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- Maersk India Private Limited	-	-	-
- Gateway Terminals India Private Limited	-	-	-

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06
Exceptional item			
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
Exchange Gain			
- APM Terminals Management B.V.	-	-	0.29
Land site development			
- SKIL Infrastructure Limited	-	-	-
Transfer of Fixed Assets			
- SKIL Infrastructure Limited	-	-	-
Sale of Investment			
- SKIL Infrastructure Limited	-	-	-
Short term advance			
- SKIL Infrastructure Limited	-	-	-
Equity Contributed			
- APM Terminals Mauritius Limited	-	2,481.48	-
Unsecured Loan			
- APM Terminals Mauritius Limited	-	279.81	-
Loan repayment			
- SKIL Infrastructure Limited	-	-	-
Short term loan			
- Maersk India Private Limited	-	-	-
Paid to Contractors			
- Maersk India Private Limited	-	-	9.90
- APM Terminals Management B.V.	-	-	55.19
Managerial remuneration			
Managing Director - Mr. Philip Littlejohn	5.41	10.72	-
Managing Director - Mr. Rajeeva Sinha	-	3.08	5.19
Managing Director - Mr. Kamal Baluja	-	-	-
Claim payable			
- Pipavav Railway Corporation Limited	63.38	621.97	
Closing Balances			
Current account receivable			
- Safmarine India Pvt Limited- acting as agent for Safmarine container Lines N.V.	6.19	2.24	0.02
- Maersk India Private Limited- acting as an agents for AP Moller- Maersk A/S	-	-	44.06
- Gateway Terminals India private Limited	-	-	-
- Pipavav Railway Corporation Limited	11.15	11.15	11.15
- Grevek Investment and Finance Private Limited	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- SKIL Infrastructure Limited	-	-	-
Current account payable			
- APM Terminals Mauritius Limited	24.01	25.95	-
- Maersk India Private Limited	-	-	
- Maersk India Private Limited- acting as an agents for AP Moller- Maersk A/S	-	28.17	-
- APM Terminals Management B.V.	39.39	39.61	31.15

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06
- Pipavav Ship Dismantling & Engineering Limited	-	-	-
- Awaita Properties Private Limited	-	-	-
- SKIL Infrastructure Limited	-	-	-
Claim payable			
- Pipavav Railway Corporation Limited	785.35	1,121.90	-
Unsecured loan			
- APM Terminals Mauritius Limited	283.43	279.81	-

19. Managerial remuneration:

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Salary and allowance	2.67	10.23	4.52	0.54	0.82	7.91	7.70
Perquisites	2.74	3.57	0.67	-	-	0.18	0.19

The above figures do not include gratuity and leave encashment, as separate figures for the directors are not available.

Payment to managing director being in excess of maximum remuneration prescribed under Schedule XIII of the Companies Act, 1956, amounting to Rs 14.22 million for the period ended 31 March 2008, Rs 9.14 million for the year ended 31 December 2007, Rs. 0.36 million for the year ended 31 December 2006, Rs.0.19 million for the period ended 31 December 2005, Rs. 5.49 million for the year ended 31 March 2003, which is subject to the approval of Central Government. The Company has made the necessary application in this regard and the approval is awaited.

During the year 2002-03, the Company has paid managerial remuneration in excess of the approval received from the Central Government under section 269, 198(4)/302(3) of the Companies Act, 1956 by Rs.0.82 million, which was included in loans and advances as at 31 March 2003 & 2004. This excess remuneration has been charged to profit and loss account during the year 2004-05, on receipt of approval of waiver from Central Government.

20. Auditor's remuneration

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Audit fees	0.47	1.90	1.50	1.25	1.35	1.35	1.00
Tax Audit fees	0.15	0.60	0.88	0.15	-		
Expenses	0.04	0.06	-*	-	0.05	0.05	0.21
Other services	-	-	0.06	0.25	-	-	-
Total	0.66	2.56	2.44	1.65	1.40	1.40	1.21

* Year 2006 amount below Rs.10,000

21. CIF value of imports

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Capital goods (including advances)	21.83	1,339.91	1,637.40	21.28	248.28	-	8.46
Spares	2.16	23.93	9.56	0.49	2.42	0.04	1.12

22. Expenditure in foreign currency

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Consultancy fees (net of taxes)	29.91	19.58	56.08	0.36	1.51	3.06	5.77
Travelling	0.65	0.95	0.72	0.19	0.46	2.34	3.52
Others	24.39	-	0.11	0.15	0.88	0.18	0.21

23. Earnings in foreign exchange

(Rs. in millions)

Particulars	3 months ended 31-Mar-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	12 months ended 31-Mar-03
Deemed foreign currency receipts	235.78	1,070.83	905.26	409.25	471.94	317.65	183.75

24. The Company used forward exchange contracts to hedge its exposure in Foreign Currency. The information on forward contracts is as follows.

(A) Forward contracts outstanding as at 31 March 2008, December 2006 and 2007

(Rs. in millions)

Details	Exposure	
	Indian Rupees	US Dollars
Payables as at		
31 Mar' 2008	Rs NIL	USD NIL
31 Dec' 2007	Rs NIL	USD NIL
31 Dec' 2006	Rs 747.27 million	USD 15.90 million

(B) Exchange loss in respect of forward exchange contract to be recognized in subsequent accounting period- Nil, FY 2007- Nil and FY2006- Rs. 6.44 million

(C) Foreign exchange currency exposure not covered by Forward Contracts as at 31 March 2008: NIL

(Rs. in millions)

Details	USD Exposure		EURO Exposure	
	Indian Rupees	US Dollars	Indian Rupees	EURO
Receivables as at				
31 Mar' 2008	Rs. 5.53 mio	USD 0.14 mio		
31 Dec' 2007	Rs. 5.45 mio	USD 0.14 mio		
31 Dec' 2006	Rs. 6.12 mio	USD 0.14 mio		
Payables as at				
31 Mar' 2008	Rs. 42.13 mio	USD 1.05 mio	Rs. 28.37 mio	Euro 1.90 mio
31 Dec' 2007	Rs. 22.99 mio	USD 0.58 mio	Rs. 8.57 mio	Euro 0.15 mio
31 Dec' 2006	Rs. 39.13 mio	USD 0.90 mio	Rs. 1.39 mio	Euro 0.02 mio
Unsecured Loans as at				
31 Mar' 2008	Rs. 283.79 mio	USD 7.10 mio	NIL	NIL
31 Dec' 2007	Rs. 279.81 mio	USD 7.10 mio	NIL	NIL
31 Dec' 2006	NIL	NIL	NIL	NIL

25. In terms of the Concession Agreement with Gujarat Maritime Board (GMB), the Company has sought approval for the increase in actual capital costs of contracted assets in excess of the approved capital costs of Rs 5,855.30 million as stated in Concession Agreement and the approval is awaited.

26. Transfer pricing

The Company's international transactions with related parties are at arm's length. Management believes that the Company's international transactions with related parties will continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount tax expenses and that of provision of taxation.

27. Under the Micro, Small and Medium Enterprise Development Act 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to micro and small enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Upto the period ended 31 December 2005, the Company had no information as to whether any of its suppliers constitute Small Scale Industrial Undertakings and therby the amount due to such suppliers has not been identified.

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

The following discussion and analysis of our financial condition and results of operations is derived from and should be read in conjunction with our audited financial statements as of and for the fiscal years ended March 31, 2005, December 31, 2005, 2006 and 2007 and the three month period ended March 31, 2008, including the schedules, annexures and notes thereto and the reports thereon, beginning on page 162 of this Draft Red Herring Prospectus. Our audited financial statements are prepared in accordance with Indian GAAP, which differ in certain material respects from IFRS and U.S. GAAP.

We changed our fiscal year end from March 31 to December 31 from December 31, 2005 onwards, resulting in a nine month period for fiscal 2005. Consequently, our results of operations for the fiscal years ended March 31, 2005, December 31, 2005 and December 31, 2006 are not comparable. For purposes of this discussion, references to "fiscal years" or "fiscal" are to the nine month period ended December 31, 2005 and the 12 month periods ended March 31, 2005, December 31, 2006 and December 31, 2007, as the case may be.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see "Forward-Looking - Statements" and "Risk Factors."

Overview

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

We are promoted by APM Terminals, which is one of the largest container terminal operator in the world, and are part of the APMM Group, which is ranked 138th among the top 500 corporations in the world by revenue in 2008, according to the Fortune Global 500. APM Terminals operates 50 terminals across 31 countries, employs 19,000 people and handled 31.4 million TEUs in calendar year 2007. APMM Group is one of the largest container ship operators in the world. APMM Group also has significant experience in development of ports and terminals, container and related activities, oil and gas activities, tankers, offshore and other shipping and logistics activities.

We commissioned the first jetty and commenced cargo handling operations at Port Pipavav in November 1996. We commenced container handling activities in April 1998 and obtained the exclusive right to develop and operate Port Pipavav and related facilities under the Concession Agreement on September 30, 1998. We commenced comprehensive commercial port operations in April 2002. APMM Group acquired a 13.5% equity interest in our Company in June 2001. Since acquisition of management control by APMM Group in April 2005, we have been executing an expansion plan to create facilities to handle approximately 1.27 million TEUs of container cargo as well as approximately three million tonnes of bulk cargo per year. The APMM Group currently owns its 54.8% equity interest through APM Terminals. For details, see "History and Certain Corporate Matters" beginning on page 86 of this Draft Red Herring Prospectus.

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

Port Pipavav currently accepts vessels with up to 12.5 metre draught at Chart Datum and deploys three tugs for providing pilotage and towage services. We have four dry cargo berths with a total length of 1,075 metres and an LPG berth with a service deck of 65 metres and the length between the extreme mooring dolphins is 308 metres. The 4,550 metre channel length at the Port allows day and night marine operations throughout the year. Between April 1, 2002 and March 31, 2008, Port Pipavav handled 11.49 million tonnes of bulk cargo, 0.10 million tonnes of LPG cargo and 0.56 million TEUs of container cargo.

We have also created extensive support infrastructure to handle container, bulk and LPG cargo, such as container yards, yard handling equipment, a Mannesmann Gottwald harbour crane, BM Titan cranes, quay cranes, rubber tired gantry cranes, paved rail sidings, warehouses, open stackyards and a port users' building to accommodate the offices of custom house agents, stevedores' agents and shipping lines. We entered into a shareholders' agreement with the Ministry of Railways dated March 28, 2001, to set up PRCL for undertaking the construction, operation and maintenance of a dedicated broad gauge railway link between Surendranagar and Port Pipavav. We presently own a 38.8% equity interest in PRCL.

Port Pipavav is strategically located near the entrance of the Gulf of Khambhat (formerly known as the Gulf of Cambay) on the main maritime trade routes, which helps us to serve imports from and exports to the Middle East, Asia, Africa, the United States, Europe and other international destinations. A wide range of customers use our port facilities. Our key customers in container cargo include shipping lines such as Maersk Line, Safmarine Container Lines, United Arab Shipping Company, Hyundai Merchant Marine, Regional Container Lines and Mitsui OSK Line and domestic container cargo customers such as Jindal Waterways. We also handle a variety of bulk and break bulk cargo such as coal, cement, clinker, fertilizers, steel, iron ore, agricultural products, salt and soda ash. Our key customers in bulk and break bulk cargo are Indian Farmers Fertiliser Cooperative Limited, Ultratech Cement Limited, Essar Logistics Limited and GHCL Limited. Shell Gas (LPG) India Private Limited is our sole customer in LPG cargo operations. We also provide marine services to Ultratech Cement Limited's captive jetty.

Our operating revenue for the years ended December 31, 2006 and December 31, 2007 was Rs. 1,349.63 million and Rs. 1,516.04 million, respectively. Our operating revenue for the three month period ended March 31, 2008 was Rs. 391.82 million. The container cargo and bulk cargo services accounted for 62.3% and 32.6%, respectively of our operating income for the three month period ended March 31, 2008.

Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

Cargo Volumes

Our operating results depend on the cargo volumes handled at Port Pipavav. Between April 1, 2002 and March 31, 2008, our Port handled 558,741 TEUs of container cargo, 11.49 million tonnes of bulk cargo and 0.10 million tonnes of LPG cargo.

Any slowdown in the Indian economy that results in a weakening of the volumes of bulk and container cargo handled at Indian ports may have a significant adverse impact on our results of operations. In addition, increases in the prices of oil and petroleum products could increase inflation and reduce the purchasing power of our customers. See "Risk Factors – Our business and results of operations are dependent on economic conditions in India and regional economic conditions and our rate of growth will be affected if the rate of economic development in India is less than the rate projected" beginning on page xxvi of this Draft Red Herring Prospectus.

Other factors that affect cargo volumes include: (i) the levels of global and regional trade; (ii) the continuing increase in globalisation of world trade, which has led to an increase in the volume of seaborne cargo and growth in trade involving container cargo; (iii) competition from new and existing ports in India, particularly on the northwest coast; and (iv) industry trends such as consolidation and changes in shipping alliances.

Pricing

We are not covered within the regulatory purview of TAMP, which provides us with considerable flexibility in determining the tariff rates at our Port. Generally, the prices we charge for our services depend on a number of factors including: (i) the volume of cargo handled; (ii) the types of customised and additional services undertaken for customers; and (iii) specific incentives with individual customers, based on volume throughput, the extent of customers' commitment and other business factors.

Cargo and Service Mix

Our results of operations are, to a significant extent, influenced by the type of cargo we handle and the other services that we provide. For example, operating expenses tend to be lower for the handling of, and related services for, LPG cargo than it is for container and bulk cargo, as the handling of container and bulk cargo is less automated and more time consuming per tonne of cargo as compared to LPG. The different types and volume of bulk cargo may be affected by the location of the ports, infrastructure, facilities and services offered by the port.

Capacity and Utilization

Our container cargo handling volume for the year ended March 31, 2005, fiscal 2005, 2006 and 2007 and for the three month period ended March 31, 2008 was 68,885 TEUs, 62,488 TEUs, 135,167 TEUs, 192,015 TEUs and 57,758 TEUs, respectively. The average berth occupancy at our container terminal was 42.0% and 37.0% for the year ended December 31, 2007 and for the three month period ended March 31, 2008, respectively. The berth occupancy at our bulk terminals was 64.9%, 49.3% and 53.8% for the years ended December 31, 2006 and 2007 and the three month period ended March 31, 2008, respectively. We have also created extensive support infrastructure to handle container, bulk and LPG cargo, such as container yards, yard handling equipment, quay cranes, rubber tired gantry cranes, paved rail sidings, warehouses, open stackyards and a port users' building to accommodate the offices of custom house agents, stevedores' agents and shipping lines.

Future Expansion of Port Services

In order to increase cargo handling capacity, we are currently relocating our LPG berth to also allow access to off-shore supply vessels, ensure better berth availability and improved berth utilisation. This berth is expected to be re-operational by November 30, 2008. Port Pipavav is undertaking an expansion plan which includes a capital dredging plan to achieve an acceptance draught of 14.5 metres during high tide, with outer channel depth of 14.5 meters and turning basin depth of 13.5 meters. Upon completion of the proposed dredging, all jetty basins at the Port are expected to have a depth of 16.0 metres. We have presently undertaken construction of an additional container yard to support a container cargo volume of 600,000 TEUs per year, expected to be completed by December 31, 2008. We intend to construct container yards for supporting container cargo volume of additional 670,000 TEUs per year by December 31, 2009. We are also in negotiations with Essar LNG Limited and Swan Mills Limited, with respect to potential LNG re-gassification projects at our Port. For details of our expansion plans, see "Our Business - Our Expansion Plans" beginning on page 74 of this Draft Red Herring Prospectus.

Our future expansion and investment plans could be affected by a number of factors, including, among others, availability of funds necessary for the required capital investments, our ability to execute a project plan and to integrate the resulting new service or facility into our operations.

Tax Benefits

Being an infrastructure company, we are eligible for tax deductions under section 80-IA of the I.T. Act, for a period of 10 consecutive years in a block of 15 years starting from the commencement of business for a deduction equivalent to 100.0% of profits derived from developing or operating Port Pipavav. Since we had business losses in our initial years of operations, we exercised the option of not claiming the deductions available under section 80 IA (4) (i) of the I.T. Act for the first five years since commencing commercial operations. The non-availability of these tax incentives in future could adversely affect our financial condition and results of operations.

Critical Accounting Policies

We have identified certain accounting policies and estimates that are critical to the preparation of our financial statements. Our critical accounting policies and key sources of estimation, which are important for an understanding of our financial condition and results of operation, are set forth in detail in Schedule 15 (4) to our audited financial statements included in this Draft Red Herring Prospectus. Some of our accounting policies involve subjective assumptions and estimates. In each case, the determination of these items requires management judgments based on information and financial data that may change in future periods.

We believe the following critical accounting policies involve the most significant estimates and judgements used in the preparation of our financial statements:

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes: pre-operative expenses incidental and related to construction of the Port facility up to the date of commencement of commercial operations, net of income earned from pre-commercial operations during the construction period, inward freight, duties, taxes and expenses incidental to construction, acquisition and installation, and financing costs in relation to the specific borrowings for fixed assets up to the date the assets are put to use. In case of general borrowing, financing costs are included as part of pre-operative expenses. Pre-operative expenses incidental and related to construction of the respective assets have been included under "Expenditure pending allocation – Net". Such expenditure has been capitalised to fixed assets on completion, in accordance with Indian GAAP.

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to us and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised. Intangible assets are amortised over the useful life of the assets.

Depreciation on tangible fixed assets is provided on a straight line basis, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of the following fixed assets, which are depreciated at different rates:

- expenditure on roads constructed on land not owned by us – over the remaining concession period;
- capital dredging – at 2% per annum; and
- second hand quay cranes – first five years at 15% per annum and the next five years at 5% per annum.

Assets individually costing up to Rs. 5,000.00 are fully depreciated in the year of acquisition.

In accordance with Accounting Standard 28 – Impairment of Assets, the carrying amounts of our assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to us and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised. Intangible assets are amortised over the useful life of the assets.

Provisions and contingent liabilities

We create a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. In case of certain litigations, legal opinions are obtained as necessary to support management estimates.

Investments

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is of a permanent nature.

Inventories

Stores and spare parts, fuel and lubricants are valued at cost or net realisable value, whichever is lower; the cost is calculated on a first-in-first-out basis. Systematic provisioning is made for inventories held for more than a year.

Changes In Accounting Policies

We have described below certain changes in accounting policies in relation to the preparation of our financial statements.

Exchange differences on foreign currency loans

Exchange differences on foreign currency loans taken for the acquisition of fixed assets were capitalised to the respective assets in earlier years, and were adjusted in the carrying amount of the related fixed assets up to fiscal 2006 and charged to the profit and loss account from January 1, 2007.

Retirement Benefits

Due to a revision of Accounting Standard 15, which became effective from April 1, 2006, Indian companies will be required to account for actuarial gains and losses on retirement benefits.

Our Results Of Operation

Our profit and loss accounts are not comparable for the fiscal years ended March 31, 2005, December 31, 2005 and December 31, 2006 as a result of the change of fiscal year end in December 2005. The following table sets forth selected financial data from our audited profit and loss accounts, the components of which are also expressed as a percentage of total income for the periods indicated.

Particulars	**For the year ended March 31, 2005**		**For the nine months ended December 31, 2005**		**For the year ended December 31, 2006**		**For the year ended December 31, 2007**		**For the three month period ended March 31, 2008**	
	(Rs. in Millions)	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**
Income:										
Operating revenue	762.09	97.2	676.23	95.8	1,349.63	95.3	1,516.04	91.5	391.82	88.2
Other income	21.69	2.8	29.92	4.2	66.63	4.7	141.41	8.5	52.27	11.8
Total income	**783.78**	**100.0**	**706.15**	**100.0**	**1,416.26**	**100.0**	**1,657.45**	**100.0**	**444.09**	**100.0**
Expenditure:										
Operational and other expenses	525.50	67.0	511.21	72.4	1,254.48	88.6	1,736.70	104.8	488.79	110.1
Borrowing cost	438.73	56.0	310.03	43.9	473.45	33.4	411.60	24.8	78.75	17.7
Depreciation	193.25	24.7	161.61	22.9	245.97	17.4	267.05	16.1	79.76	18.0
Prior period items	9.62	1.2	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0
Total expenditure	**1,167.10**	**148.9**	**982.85**	**139.2**	**1,973.90**	**139.4**	**2,415.35**	**145.7**	**647.30**	**145.8**
Profit / (loss) before exceptional item and tax	**(383.32)**	**(48.9)**	**(276.70)**	**(39.2)**	**(557.64)**	**(39.4)**	**(757.90)**	**(45.7)**	**(203.21)**	**(45.8)**
Exceptional item	130.00	16.6	0.00	0.0	83.58	5.9	38.55	2.3	0.00	0.0

Profit / (loss) before tax	**(513.32)**	**(65.5)**	**(276.70)**	**(39.2)**	**(641.22)**	**(45.3)**	**(796.45)**	**(48.0)**	**(203.21)**	**(45.8)**
Provision for tax:										
Current tax (including fringe benefits tax)	0.60	0.1	1.72	0.2	2.44	0.2	2.84	0.2	0.75	0.2
Wealth tax	0.30	0.0	0.00	0.0	0.08	0.0	0.07	0.0	0.00	0.0
Net Profit / (loss) after taxation	**(514.22)**	**(65.6)**	**(278.42)**	**(39.4)**	**(643.74)**	**(45.5)**	**(799.36)**	**(48.2)**	**(203.96)**	**(46.0)**
Profit / (loss) at the beginning of the period / year	(3,523.86)	**(449.6)**	(4,038.08)	**(571.8)**	(4,316.50)	**(304.8)**	(4,960.24)	**(299.3)**	(5,759.31)	**(1,296.9)**
Less: reversal of gratuity transitional liability	0.00	**0.0**	0.00	**0.0**	0.00	**0.0**	(0.29)	**(0.0)**	0.00	**0.0**
Balance carried forwards	**(4,038.08)**	**(515.2)**	**(4,316.50)**	**(611.2)**	**(4,960.24)**	**(350.3)**	**(5,759.31)**	**(347.5)**	**(5,963.27)**	**(1,342.9)**

Total income. Our total income consists of operating revenue and other income. Historically, the principal component of our income has been our operating revenue. Our total income for the year ended March 31, 2005 was Rs. 783.78 million as compared to Rs. 706.15 million, Rs. 1,416.26 million and Rs. 1,657.45 million for fiscal 2005, 2006 and 2007, respectively. For the year ended March 31, 2005, fiscal 2005, 2006 and 2007, operating revenue constituted 97.2%, 95.8%, 95.3% and 91.5% of our total income, respectively. For the three month period ended March 31, 2008, our total income was Rs. 444.09 million.

Operating revenue. Our operating revenue consists of income from services provided at our Port as well as rental income from premises which are sub-leased by us. Port services include services for container cargo, bulk cargo and LPG cargo and value-added port services, including container freight services. The principal component of our operating revenue is derived from container cargo and bulk cargo.

Our revenue from container cargo consists container handling charges, berth services, marine services and storage. Our revenue from bulk cargo consists of handling and storage of bulk cargo, marine services, berth hire charges, wharfage charges, stevedoring charges and port operation charges. Our revenue from LPG cargo consists of marine services and related ancillary facilities, including providing hose pipe connections to the vessels. Our LPG cargo jetty is currently being relocated to allow access to off-shore supply vessels and therefore, no revenue has been received from LPG cargo operations since July 2007. Presently, Shell Gas is our sole customer in LPG cargo operations. Our land-related income is derived from the lease of land in the Port. Our revenue from the Ultratech jetty consists of income from port dues and pilotage charges.

The following table sets forth a breakdown of our total operating revenue by types of cargo and other services for the periods indicated:

	For the year ended March 31, 2005		**For the nine month period ended December 31, 2005**		**For the year ended December 31, 2006**		**For the year ended December 31, 2007**		**For the three month period ended March 31, 2008**	
	(in Rs. Million)	*%*	*(in Rs. Million)*	*%*	*(in Rs. Million)*	*%*	*(in Rs. Million)*	*%*	*(in Rs. Million)*	*%*
Container cargo	296.40	38.9	266.41	39.4	667.93	49.5	899.63	59.3	244.22	62.3
Bulk cargo	379.14	49.8	352.21	52.1	594.31	44.1	543.96	35.8	127.51	32.6

LPG cargo(1)	7.97	1.0	7.61	1.1	8.44	0.6	2.23	0.2	-	-
Land related revenue	17.23	2.2	10.92	1.6	17.57	1.3	20.49	1.4	6.25	1.6
Ultratech jetty(2)	61.35	8.1	39.08	5.8	61.38	4.5	49.73	3.3	13.84	3.5
Total Operating Revenue	**762.09**	**100.0**	**676.23**	**100.0**	**1,349.63**	**100.0**	**1,516.04**	**100.0**	**391.82**	**100.0**

(1) The LPG cargo jetty is currently being relocated and therefore no revenue has been received from LPG cargo operations since June 2007. We expect the LPG cargo jetty to be re-operational by November 30, 2008.
(2) This jetty is for captive use by Ultratech Cement Limited and we derive revenue from port dues and pilotage charges.

Our revenue from container cargo services increased from Rs. 296.40 million for the year ended March 31, 2005 to Rs. 899.63 million in fiscal 2007, primarily due to an increase in container cargo volume handled at our Port. The share of container cargo revenue as a percentage of our operating revenue has increased from 38.9% for the year ended March 31, 2005 to 59.3% in fiscal 2007. For the three month period ended March 31, 2008, our container cargo revenue was Rs. 244.22 million, which accounted for 62.3% of our total operating revenue. Our container cargo volume increased from 68,885 TEUs for the year ended March 31, 2005 to 192,015 TEUs in fiscal 2007. For the three month period ended March 31, 2008, the container cargo volume handled at our Port was 57,758 TEUs.

Our revenue from bulk cargo services increased from Rs. 379.14 million for the year ended March 31, 2005 to Rs. 543.96 million in fiscal 2007, primarily due to the increase in tariff for handling bulk cargo and a change in cargo mix towards fertilizers and project cargo. The share of bulk cargo revenue as a percentage of our operating revenue has decreased from 49.8% for the year ended March 31, 2005 to 35.8% in fiscal 2007, due to higher container throughputs. For the three month period ended March 31, 2008, our bulk cargo revenue was Rs. 127.51 million, which accounted for 32.6% of our total operating revenue. Our bulk cargo volume decreased from 1.99 million tonnes for the year ended March 31, 2005 to 1.66 million tonnes in fiscal 2007. For the three month period ended March 31, 2008, the bulk cargo volume handled at our Port was 0.35 million tonnes.

Our revenue from LPG cargo services decreased from Rs. 7.97 million for the year ended March 31, 2005 to Rs. 2.23 million in fiscal 2007, primarily due to the demolition of the LPG cargo jetty in June, 2007, which is currently being relocated to serve other types of cargo handling facilities besides LPG cargo. The share of LPG cargo revenue as a percentage of our operating revenue decreased from 1.0% for the year ended March 31, 2005 to 0.2% in fiscal 2007. We have not received any revenue from LPG cargo operations since July 2007, due to such relocation. In addition, effective July 1, 2007, we reimburse Shell Gas a monthly sum of Rs. 2.76 million in lieu of the additional expenses incurred by Shell Gas for import, storage and distribution of LPG cargo. We expect the LPG cargo jetty to be re-operational by November 30, 2008. Our revenue from LPG cargo is attributable to our sole LPG cargo customer, Shell Gas. The LPG cargo volume at our Port decreased from 0.02 million tonnes for the year ended March 31, 2005 to 0.01 million tonnes in fiscal 2007.

Our revenue from land-related activities increased from Rs. 17.23 million for the year ended March 31, 2005 to Rs. 20.49 million in fiscal 2007, primarily due to rental income from sub-leasing of land to various port users. The share of land-related revenue as a percentage of our operating revenue decreased from 2.2% for the year ended March 31, 2005 to 1.4% in fiscal 2007. For the three month period ended March 31, 2008, our revenue from land-related activities was Rs. 6.25 million, which accounted for 1.6% of our total operating revenue.

Our revenue from the Ultratech jetty decreased from Rs. 61.35 million for the year ended March 31, 2005 to Rs. 49.73 million in fiscal 2007, primarily due to reduction in the services provided by us and volatile exchange rate fluctuations during these periods as a majority of our revenue from the Ultratech jetty is received in US dollars. The share of our Ultratech related revenue as a percentage of our operating revenue decreased from 8.1% for the year ended March 31, 2005 to 3.3% in fiscal 2007. For the three month period ended March 31, 2008, our revenue from the Ultratech jetty was Rs. 13.84 million, which accounted for 3.5% of our total operating revenue.

Our customers are primarily shipping lines and shipping agents, exporters and importers, and long-term customers like Shell Gas and CWC. Our services range from marine services, to cargo handling and storage services, and sub-lease of land. The services we provide to our customers, and the income that we derive from those services, vary depending on the type, volume and complexity of services we provide under our contracts. For example, contracts with bulk cargo customers are generally short term in nature and they avail a combination of services such as marine services, cargo handling and storage services.

We entered into a user agreement with Shell Gas on October 19, 1996 for utilising the LPG cargo jetty and establishing a tank farm at Port Pipavav for a period of 25 years. Shell Gas has also set up a dedicated LPG import and storage facility. Under the terms of the user agreement, in addition to the port tariff, Shell Gas pays user rent of approximately Rs. 0.49 million per month for the use of port facilities and an additional specified corridor charge for use of the dedicated pipeline connecting the jetty to the storage tank. Our LPG cargo jetty was dismantled in June 2007 and is currently being relocated to allow access to off-shore supply vessels and therefore we have not received the monthly user rent from Shell Gas since July 2007.

In addition, we entered into an agreement dated July 2, 2007 with Shell Gas for the relocation of our LPG jetty. Pursuant to the terms of such agreement, effective July 1, 2007, we reimburse Shell Gas a monthly sum of approximately Rs. 2.76 million in lieu of the additional expenses incurred by Shell Gas for import, storage and distribution of LPG cargo. We expect the LPG cargo jetty to be re-operational by November 30, 2008. As of March 31, 2008, we have paid Rs. 24.82 million to Shell Gas.

We also entered into a user agreement with CWC on July 1, 1999 for a period of 25 years for operation of warehouse facilities at our Port. Under the terms of such agreement, in addition to the one time development charge, CWC pays rent of Rs. 60.00 per square metre, with an escalation of 10.0% every five years and royalty payments computed on the basis of a specified formula.

Our ability to attract and keep customers is primarily dependent on the overall cost savings to the customer, including the end-to-end logistics cost. The cost savings, and our competitiveness, can be achieved in various ways, including by providing economies of scale through direct berthing facilities for large size vessels at our Port, faster cargo handling services and vessel turnaround times, reduced cargo losses because of mechanised handling, and multiple transport options and reductions in inland freight transit distances.

We expect that a significant portion of our operating revenue will continue to be attributable to a limited number of customers in the near future. The following table shows the revenue derived from single largest contributor to our operating revenue, Maersk Line and details of other large contributors to our operating revenue for the periods indicated and their contribution as a percentage to our operating revenue:

	For the year ended March 31, 2005		**For the nine month period ended December 31, 2005**		**For the year ended December 31, 2006**		**For the year ended December 31, 2007**		**For the three month period ended March 31, 2008**	
	(in Rs. million)	*% of operating revenue*	*(in Rs. million)*	*% of operating revenue*	*(in Rs. million)*	*% of operating revenue*	*(in Rs. million)*	*% of operating revenue*	*(in Rs. million)*	*% of operating revenue*
Maersk Line	179.30	23.6	165.50	24.5	431.62	32.0	385.66	25.4	102.81	26.2
Five largest contributors	466.19	61.2	432.18	63.9	918.63	68.1	872.32	57.5	205.60	52.5
10 largest contributors	592.17	77.7	537.80	79.5	1,119.50	82.9	1,097.02	72.4	263.94	67.4

	For the year ended March 31, 2005		For the nine month period ended December 31, 2005		For the year ended December 31, 2006		For the year ended December 31, 2007		For the three month period ended March 31, 2008	
20 largest contributors	687.57	90.2	608.41	90.0	1,239.59	91.8	1,297.10	85.6	327.36	83.5

Other income. Other income consists of interest on short-term bank deposits and other miscellaneous income.

Total expenditure. Our total expenditure consists of operational and other expenses, borrowing costs, depreciation and prior period items. The following table sets forth a breakdown of our total expenditure for the periods indicated:

Particulars	**For the year ended March 31, 2005**		**For the nine months ended December 31, 2005**		**For the year ended December 31, 2006**		**For the year ended December 31, 2007**		**For the three month period ended March 31, 2008**	
	(Rs. in Millions)	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**
Expenditure:										
Operational and other expenses	525.50	67.0	511.21	72.4	1,254.48	88.6	1,736.70	104.8	488.79	110.1
Borrowing cost	438.73	56.0	310.03	43.9	473.45	33.4	411.60	24.8	78.75	17.7
Depreciation	193.25	24.7	161.61	22.9	245.97	17.4	267.05	16.1	79.76	18.0
Prior period items	9.62	1.2	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0
Total Expenditure	**1,167.10**	**148.9**	**982.85**	**139.2**	**1,973.90**	**139.4**	**2,415.35**	**145.7**	**647.30**	**145.8**

Operational and other expenses. Our operational and other expenses primarily includes; operational expenses such as equipment hire, stevedoring charges, power and fuel and waterfront royalty payments to GMB under the terms of the Concession Agreement; repairs and maintenance expenses primarily on our buildings and machinery; personnel costs which primarily include salaries, wages and bonus, provident fund and staff welfare and administration and other expenses which primarily include legal, consultancy and professional fees, provisions for doubtful debts, provision for claims, travelling expenses, rent, rates and taxes, insurance and other miscellaneous expenses.

Operational expenses. Operational expenses were Rs. 259.45 million, Rs. 230.00 million, Rs. 488.28 million, Rs. 598.80 million and Rs. 156.47 million for the year ended March 31, 2005, and fiscal 2005, 2006 and 2007 and for the three month period ended March 31, 2008, respectively. Our operational expenses were approximately 33.1%, 32.6%, 34.5%, 36.1% and 35.2% of our total income for the year ended March 31, 2005, and fiscal 2005, 2006 and 2007 and for the three month period ended March 31, 2008, respectively.

Repairs and maintenance expenses. Repairs and maintenance expenses were Rs. 42.11 million, Rs. 46.26 million, Rs. 138.81 million, Rs. 112.31 million and Rs. 48.76 million for the year ended March 31, 2005, and fiscal 2005, 2006 and 2007 and for the three month period ended March 31, 2008, respectively. Our repairs and maintenance expenses were approximately 5.4%, 6.6%, 9.8%, 6.8% and 11.0% of our total income for the year ended March 31, 2005, and fiscal 2005, 2006 and 2007, and the three month period ended March 31, 2008, respectively. The reduction in repairs and maintenance expenses during fiscal 2007 was due to completion of road maintenance works undertaken in the Port area in fiscal 2006. Our repairs and maintenance expenses during the three month period ended March 31, 2008, primarily comprised of repair works undertaken to our buildings and upgrading old cranes.

Personnel costs. We had 278, 314, 374, 420 and 473 full-time employees as of March 31, 2005 and fiscal 2005, 2006 and 2007, and for the three month period ended March 31, 2008, respectively, all of which were based in India. Our staff costs accounted for 8.0%, 8.7%, 7.5%, 8.3% and 10.3% of our total income for the year ended March 31, 2005 and fiscal 2005, 2006, 2007 and the three month period ended March 31, 2008, respectively.

Administration and other expenses. Our administration and other expenses accounted for 20.6%, 24.5%, 36.8%, 53.5% and 53.6% of our total income for the year ended March 31, 2005 and fiscal 2005, 2006 and 2007, and for the three month period ended March 31, 2008, respectively. The increase in administrative cost in fiscal 2007 and the three months period ended March 31, 2008 was mainly due to the increase in legal and professional fees, payment of compensation to Shell Gas for disruption of services due to relocation of LPG jetty, provision for shortfall under the terms of the Traffic Guarantee Agreement and foreign exchange loss. However, as a percentage of total income these expenses should tend to decrease with increases in cargo volumes and increases in utilisation of port facilities.

Borrowing cost. Our borrowing cost primarily includes interest paid on outstanding bank loans, payments of interest on debentures and other financial charges. Our borrowing cost accounted for 56.0%, 43.9%, 33.4%, 24.8% and 17.7% of our total income for the year ended March 31, 2005 and fiscal 2005, 2006 and 2007, and for the three month period ended March 31, 2008, respectively. We capitalise our borrowing costs relating to investment in fixed assets. For fiscal 2005, 2006, 2007 and the three month period ended March 31, 2008 our borrowing costs capitalised during the period were Rs. 100.61 million, Rs. 31.77 million, Rs. 59.38 million and Rs. 31.70 million, respectively.

Depreciation. Our depreciation expenditure primarily includes depreciation of dredging, buildings, plant and machinery, railway sidings, furniture, fixtures and vehicles. Depreciation accounted for 24.7%, 22.9%, 17.4%, 16.1% and 18.0% of our total income for the year ended March 31, 2005 and fiscal 2005, 2006 and 2007, and for the three month period ended March 31, 2008, respectively. In line with the growth of our operations, we expect our depreciation expenditure to increase, reflecting additional investments such as the development of jetties, buying or leasing of new equipment and setting up of other infrastructure facilities.

Prior period items. Our prior period items for the year ended March 31, 2005 was Rs. 9.62 million, which primarily includes reversal of excess interest and rent charged in the earlier years.

Provision for tax. We provide for income taxes, deferred taxes and fringe benefit tax. Tax on income for the current period is determined on the basis of estimated taxable income and tax credit, if any, and computed in accordance with the I.T. Act. Deferred tax arises mainly due to the timing differences between accounting income and the estimated taxable income for the period and is quantified using the tax rates and laws enacted or substantially enacted as on the relevant balance sheet date. Our deferred tax liability is recognised net of deferred tax assets, if any. Our provision for taxation also includes a provision for tax on fringe benefits paid to our employees.

Three month period ended March 31, 2008

Our results of operations for the three month period ended March 31, 2008 were particularly affected by the following factors:

- higher fixed operational expenses;
- upgrading of old cranes and repairs carried out to our buildings; and
- increase in staff costs.

Total income. Our total income was Rs. 444.09 million for the three month period ended March 31, 2008.

Operating revenue. Our operating revenue was Rs. 391.82 million for the three month period ended March 31, 2008, primarily due to revenue derived from container cargo services, bulk cargo handling, services, Ultratech jetty and land-related activities.

Our container cargo revenue was Rs. 244.22 million for the three month period ended March 31, 2008. Our container cargo volumes were 0.06 million TEU's for the three month period ended March 31, 2008.

Our bulk cargo revenue was Rs. 127.51 million for the three month period ended March 31, 2008. Our bulk cargo volumes were 0.35 million tonnes for the three month period ended March 31, 2008.

Our revenue from land-related activities was Rs. 6.25 million for the three month period ended March 31, 2008.

Our revenue from the Ultratech jetty was Rs. 13.84 million for the three month period ended March 31, 2008.

Other income. Our other income was Rs. 52.27 million for the three month period ended March 31, 2008, primarily from interest received on bank deposits.

Total expenditure. Our total expenditure was Rs. 647.30 million for the three month period ended March 31, 2008.

Operational expenses. Our operational expenses were Rs. 156.47 million for the three month period ended March 31, 2008.

Repairs and maintenance expenses. Our repairs and maintenance expenses were Rs. 48.76 million for the three month period ended March 31, 2008, primarily due to civil works undertaken**,** upgradation of cranes, repairs to plant and machinery and maintenance of 220 KV electricity line at the Port.

Personnel costs. Our personnel costs were Rs. 45.73 million for the three month period ended March 31, 2008.

Administration and other expenses. Our administration and other expenses were Rs. 237.84 million for the three month period ended March 31, 2008, primarily due to legal and professional expenses, travelling expenses, compensation of approximately Rs. 8.3 million paid to Shell for disruption of operations at the LPG jetty and provision for shortfalls under the Traffic Guarantee Agreement and other claims of Rs. 175.48 million. These expenses were partly offset by Rs. 61.01 million capitalised towards administrative and other expenses.

Borrowing cost. Our borrowing cost was Rs. 78.75 million for the three month period ended March 31, 2008, primarily due to interest payments on term loans and other financial charges.

Depreciation. Our depreciation expenses were Rs. 79.96 million for the three month period ended March 31, 2008, primarily due to expansion of Port facilities and buying of new equipment.

Profit/ loss before exceptional item and tax. Our loss before exceptional item and tax was Rs. 203.21 million for the three month period ended March 31, 2008.

Profit/ loss before tax. Our loss before tax was Rs. 203.21 million for the three month period ended March 31, 2008.

Provision for tax. There was a provision for fringe benefit tax amounting to Rs. 0.75 million for the three month period ended March 31, 2008.

Net profit/loss after tax. Our net loss after tax was Rs. 203.96 million for the three month period ended March 31, 2008.

Fiscal 2007 Compared to Fiscal 2006

Our results of operations for fiscal 2007 were particularly affected by the following factors:

- increase in equipment hire charges by 56.2% due to hiring of additional equipment for handling container and bulk cargo;
- partial dismantling and relocation of our LPG jetty and, consequently, no revenue was derived from LPG cargo operations after June 2007.

Total income. Our total income increased by 17.0% to Rs. 1,657.45 million in fiscal 2007 from Rs. 1,416.26 million in fiscal 2006.

Operating revenue. Our operating revenue increased by 12.3% to Rs. 1,516.04 million in fiscal 2007 from Rs. 1,349.63 million in fiscal 2006, primarily due to an increase in the container cargo volumes handled at our Port.

Our container cargo revenue increased by 34.7% to Rs. 899.63 million in fiscal 2007 from Rs. 667.93 million in fiscal 2006, primarily due to an increase in container cargo volumes by 46.2% to 0.19 million TEU's in fiscal 2007 from 0.13 million TEU's in fiscal 2006.

Our bulk cargo revenue decreased by 8.5%, to Rs 543.96 million in fiscal 2007 from Rs. 594.31 million in fiscal 2006, primarily due to the decrease in bulk cargo volumes by 22.8% to 1.66 million tonnes in fiscal 2007 from 2.15 million tonnes in fiscal 2006, which was partly offset by an increase in cargo revenue from fertilizer and project cargo.

Our LPG cargo revenue decreased by 73.6% to Rs. 2.23 million in fiscal 2007 from Rs. 8.44 million in fiscal 2006, primarily due to the demolition of the LPG cargo jetty in June, 2007. Our LPG cargo volumes decreased to 0.01 million tonnes in fiscal 2007 from 0.02 million tonnes in fiscal 2006 as we did not derive any revenues from LPG jetty between July and December 2007.

Our revenue from land-related activities increased by 16.6% to Rs. 20.49 million in fiscal 2007 from Rs. 17.57 million in fiscal 2006, primarily due to rental income from sub-leasing of land to various port users.

Our revenue from the Ultratech jetty decreased by 19.0% to Rs. 49.73 million in fiscal 2007 from Rs. 61.38 million in fiscal 2006, primarily due to a decrease in volumes handled by us and exchange rate fluctuations.

Other income. Our other income increased by 112.2% to Rs. 141.41 million in fiscal 2007 from Rs 66.63 million in fiscal 2006, primarily due to bank interest received on unutilised of proceeds of rights issue of shares to existing shareholders.

Total expenditure. Our total expenditure increased by 22.4% to Rs. 2,415.35 million in fiscal 2007 from Rs. 1,973.90 million in fiscal 2006.

Operational expenses. Our operational expenses increased by 22.6% to Rs. 598.80 million in fiscal 2007 from Rs. 488.28 million in fiscal 2006, primarily due to an increase in equipment hire charges of 56.2% to Rs. 298.55 million in fiscal 2007 from Rs. 191.10 million in fiscal 2006 for handling container and bulk cargo, and an increase in other operation charges from Rs. 10.33 million in fiscal 2006 to Rs. 21.29 million in fiscal 2007, due to an increase in security and safety expenses. The increase was partly offset by a decrease in stevedoring charges by 10.7% from Rs. 160.93 million in fiscal 2006 to Rs. 143.68 million in fiscal 2007, which was in line with a decrease in stevedoring income, due to lower break bulk cargo handled during the year.

Repairs and maintenance expenses. Our repairs and maintenance expenses decreased by 19.1% to Rs. 112.31 million in fiscal 2007 from Rs. 138.81 million in fiscal 2006. The decrease was primarily due to Rs. 87.51 million expenditure incurred on road repairs in fiscal 2006, which was partly offset by an increase in our repairs and maintenance cost on plant, machinery and other assets to Rs. 102.28 million in fiscal 2007 from Rs. 45.01 million in fiscal 2006. Our repairs and maintenance expenses increased due to additional maintenance charges paid for upgrading of cranes and a new electrical distribution system which commenced operations in fiscal 2007.

Personnel costs. Our personnel costs increased by 30.2% to Rs. 138.35 million in fiscal 2007 from Rs. 106.29 million in fiscal 2006, primarily due to an increase in employees from 374 to 420 and annual increments.

Administration and other expenses. Our administration and other expenses increased by 70.3%, to Rs. 887.24 million in fiscal 2007 from Rs. 521.10 million in fiscal 2006, primarily due to an increase in legal, consultancy and professional fees, which increased by 48.6% to Rs. 134.52 million in fiscal 2007 from Rs. 90.54 million in fiscal 2006, Rs. 18.91 million for compensation payable to Shell for disruption of operations at the LPG jetty, relocation costs of Rs. 10.43 million in relation to the LPG jetty, an increase in provision for shortfalls under the Traffic Guarantee Agreement to Rs. 621.91 million in fiscal 2007 from Rs. 400.00 million in fiscal 2006 and exchange difference arising on foreign currency transactions of Rs. 55.10 million in fiscal 2007. Rent payments increased by 31.0% to Rs. 10.98 million in fiscal 2007 from Rs. 8.38 million in fiscal 2006, due to the increase in rent charges for our Mumbai office premises and accommodation provided to senior management. Our travelling expenses increased by 35.0% to Rs. 29.08 million in fiscal 2007 from Rs. 21.54 million in fiscal 2006, due to an increase in foreign travel**.**

Borrowing cost. Our borrowing cost decreased by 13.1% to Rs. 411.60 million in fiscal 2007 from Rs. 473.45 million in fiscal 2006, primarily due to the lower rate of interest applicable for fiscal 2007 as compared to fiscal 2006 under the CDR Package.

Depreciation. Our depreciation expenses increased by 8.6% to Rs. 267.05 million in fiscal 2007 from Rs. 245.97 million in fiscal 2006, primarily due to capitalisation of dredging activities in fiscal 2007.

Profit/ loss before exceptional item and tax. Our loss before exceptional item and tax increased by 35.9% to Rs. 757.90 million for fiscal 2007 from Rs. 557.64 million in fiscal 2006.

Exceptional items. We dismantled and relocated the LPG berth and converted it into a multi-purpose cargo berth, for which we made provision of Rs. 38.55 million reflecting the written-down value of the dismantled portion of the jetty in fiscal 2007, in addition to provision of Rs 83.58 million made in fiscal 2006.

Profit/loss before tax. Our net loss before tax increased by 24.2% to Rs. 796.45 million in fiscal 2007 from Rs. 641.22 million in fiscal 2006.

Provision for tax. There was an increase in the provision for fringe benefit tax by 16.4% to Rs. 2.84 million in fiscal 2007 from Rs. 2.44 million in fiscal 2006. Wealth tax provision decreased by 12.5% to Rs. 0.07 million in fiscal 2007 from Rs.0.08 million in fiscal 2006.

Net profit/loss after tax. Our net loss after tax increased by 24.2% to Rs. 799.36 million in fiscal 2007 from Rs. 643.74 million in fiscal 2006.

Fiscal 2006 and Fiscal 2005 (Nine Month Period Ended December 31, 2005)

Our year ended December 31, 2005 reflects a nine month period. As a result, our results of operations for the periods presented below are not comparable.

Our results of operations for fiscal 2006 were particularly affected by the following factors:

- an increase in hire charges due to the hiring of three axle trailers and deployment of an additional tug boat at the Port;
- an increase in power and fuel costs due to the commissioning of a power distribution system;
- road maintenance undertaken at the Port;
- a port package insurance policy taken in fiscal 2006; and
- provision for dismantling of the LPG berth.

Total income. Our total income was Rs. 706.15 million and Rs. 1,416.26 million for fiscal 2005 and fiscal 2006, respectively.

Operating revenue. Our operating revenue was Rs. 676.23 million, or 95.8% of our total income for fiscal 2005 and Rs. 1,349.63 million, or 95.3% of our total income in fiscal 2006. This decrease in percentage was primarily due to decrease in income derived from LPG cargo.

Our container cargo revenue accounted for Rs. 266.41 million, or 39.4% of our operating revenue in fiscal 2005, of which Rs. 37.72 million was from ship related marine and wharfage charges and Rs. 227.06 million was attributable to yard operations, container handling and storage charges. Our container cargo revenue accounted for Rs. 667.93 million, or 49.5% of our operating revenue in fiscal 2006, of which Rs. 164.12 million was attributable to ship related marine and wharfage charges and Rs. 503.81 million was attributable to yard operations and container handling and storage charges. The increase in container cargo revenue was primarily due to an increase in container cargo volume from 0.06 million TEUs in fiscal 2005 to 0.13 million TEUs in fiscal 2006.

Our bulk cargo revenue accounted for Rs. 352.21 million, or 52.1% of our operating revenue in fiscal 2005, of which Rs. 175.32 million was from marine services and Rs. 176.89 million was attributable to handling and storage charges. Our bulk cargo revenue accounted for Rs 594.31 million, or 44.1% of our operating revenue for fiscal 2006, of which Rs. 238.72 million was attributable to marine services and Rs. 355.59 million was attributable to handling and storage charges. The increase in bulk cargo revenue was primarily due to a 28.0% increase in bulk cargo volume from 1.68 million tonnes in fiscal 2005 to 2.15 million tonnes in fiscal 2006. The major bulk cargo types, such as fertilizers, coal and steel, project cargo, cement and iron accounted for 1.6 million tonnes amounting to Rs. 312.39 million, or 88.7% of the total bulk cargo volume and 2.03 million tonnes amounting to Rs. 557.88 million, or 93.9% of the total bulk cargo volume in fiscal 2005 and fiscal 2006, respectively.

Our LPG cargo revenue accounted for Rs. 7.61 million, or 1.1% of our operating revenue in fiscal 2005, of which Rs. 3.16 million was from marine services and Rs. 4.45 million was attributable to wharfage charges. Our LPG cargo revenue accounted for Rs. 8.44 million, or 0.6% of our operating revenue in fiscal 2006, of which Rs. 3.65 million was attributable to marine activities and Rs. 4.79 million was attributable to wharfage charges, Our LPG cargo volume was 0.02 million tonnes in fiscal 2005 and fiscal 2006.

Our revenue from land-related activities accounted for Rs. 10.92 million, or 1.6% of our operating revenue in fiscal 2005, of which Rs. 8.16 million was attributable to long term user agreements with Shell Gas and CWC and Rs. 2.76 million was attributable to rental income received from other port users. Our land-related activities accounted for Rs. 17.57 million, or 1.3% of our operating revenue for fiscal 2006, of which Rs. 10.88 million was received from long term user agreements with Shell Gas and CWC and Rs. 6.69 million was attributable to rental income received from other port users.

Our revenue from the Ultratech jetty accounted for Rs. 39.08 million, or 5.8% of our operating revenue in fiscal 2005, of which Rs. 33.49 million was received from pilotage charges and Rs. 5.59 million was attributable to port dues. Our revenue from the Ultratech jetty accounted for Rs. 61.38 million, or 4.5% of our operating revenue for fiscal 2006, of which Rs. 51.77 million was from pilotage charges and Rs. 9.61 million was attributable to port dues.

Other income. Our other income accounted for Rs 29.92 million, or 4.2% of our total income in fiscal 2005 and Rs. 66.63 million, or 4.7% of our total income in fiscal 2006. This increase in percentage was primarily due to interest received from banks and advances amounting to Rs. 35.41 million in fiscal 2006 as against Rs. 17.88 million in fiscal 2005. In addition, the increase was also due to the increase in profit from the sale of assets amounting to Rs. 17.55 million in fiscal 2006.

Total expenditure. Our total expenditure was Rs. 982.85 million and Rs. 1,973.90 million in fiscal 2005 and fiscal 2006, respectively.

Operational expenses. Our operational expenses were Rs. 230.00 million, or 32.6% of our total income for fiscal 2005 and Rs. 488.28 million, or 34.5% of our total income for fiscal 2006. This increase in percentage was primarily due to an increase in equipment hire charges, and an increase in power and fuel expenses. In addition, the increase in stevedoring charges from Rs. 67.10 million for fiscal 2005 to Rs. 160.93 million in fiscal 2006, was in line with the increase in stevedoring income, due to a rise in the number of fertiliser vessels handled during the year.

Repairs and maintenance. Our repairs and maintenance expenses were Rs. 46.26 million, or 6.6% of our total income for fiscal 2005 and Rs. 138.81 million, or 9.8% of our total income in fiscal 2006. This increase in percentage was primarily due to expenditure of Rs. 87.51 million incurred on road repairs at Port Pipavav and Rs. 37.01 million incurred on plant and machinery.

Personnel costs. Our personnel costs were Rs. 61.71 million, or 8.7% of our total income and Rs. 106.29 million, or 7.5% of our total income for fiscal 2005 and fiscal 2006, respectively, primarily due to an increase in employees from 314 to 374 and annual increments.

Administration and other expenses. Our administration and other expenses were Rs. 173.24 million, or 24.5% of our total income and Rs. 521.10 million, or 36.8% of our total income for fiscal 2005 and fiscal 2006, respectively. This increase was primarily due to an increase in insurance premium from Rs. 12.48 million in fiscal 2005 to Rs. 31.76 million in fiscal 2006 primarily due to insurance coverage undertaken for additional RTGs and our electrical distribution system, an increase in legal, consultancy and professional fees from Rs. 62.90 million in fiscal 2005 to Rs. 90.54 million in fiscal 2006 and provision for traffic guarantee claims from Rs. 100.00 million in fiscal 2005 to Rs. 400.00 million in fiscal 2006.

Borrowing cost. Our borrowing cost was Rs. 310.03 million, or 43.9% of our total income and Rs. 473.45 million, or 33.4% of our total income for fiscal 2005 and fiscal 2006, respectively. Our finance costs increased in fiscal 2006 due to increase in our indebtedness and premium paid for the forward cover on foreign currency transactions.

Depreciation. Our depreciation expenses were Rs. 161.61 million, or 22.9% of our total income and Rs. 245.97 million, or 17.4% of our total income for fiscal 2005 and fiscal 2006, respectively. This increase was primarily due to capitalisation of dredging to increase draught to 12.5 meters and eight RTGs commissioned in fiscal 2006.

Profit/ loss before exceptional item and tax. Our loss before exceptional item and tax was Rs. 276.70 million and Rs. 557.64 million for fiscal 2005 and fiscal 2006, respectively.

Exceptional items. During fiscal 2006, we approved the expansion plan for construction of a new container jetty for which part of the existing LPG cargo jetty was required to be dismantled. A provision of Rs. 83.58 million towards the WDV of demolished portion of LPG cargo jetty, which has been shown as an exceptional item.

Profit/loss before tax. Our net loss before tax was Rs. 276.70 million and Rs. 641.22 million for fiscal 2005 and fiscal 2006, respectively.

Provision for tax. There was a provision for fringe benefit tax of Rs. 1.72 million and Rs. 2.44 million in fiscal 2005 and fiscal 2006, respectively and wealth tax provision of Rs. 0.08 million for fiscal 2006.

Net profit/loss after tax. Our net loss after tax was Rs. 278.42 million and Rs. 643.74 million for fiscal 2005 and fiscal 2006, respectively.

Year Ended March 31, 2005 and Fiscal 2005 (Nine Month Period Ended December 31, 2005)

Our year ended March 31, 2005 represents a 12 month period and the period ended December 31, 2005 reflects a nine month period due to the change of our fiscal end. As a result, our results of operations for the periods presented below are not comparable.

Our results of operations for fiscal 2005 were particularly affected by the following factors:

- reduction in revenue due to a drop in project cargo handled;
- increase in fuel costs due to increase in fuel prices and increase in average fuel consumption; and
- increase in repairs and maintenance expenses due to the repair of our crane.

Total income. Our total income was Rs. 783.78 million and Rs. 706.15 million for the year ended March 31, 2005 and fiscal 2005, respectively.

Operating revenue. Our operating revenue was Rs. 762.09 million, or 97.2% of our total income for the year ended March 31, 2005 and Rs. 676.23 million, or 95.8% of total income for fiscal 2005.

Our container cargo revenue accounted for Rs. 296.40 million, or 38.9% of our operating revenue for the year ended March 31, 2005, of which Rs. 48.58 million was from ship related marine charges and wharfage charges and Rs. 247.82 million was attributable to yard operations, container handling and storage charges. Our container cargo revenue accounted for Rs. 266.41 million, or 39.4 % of our operating revenue for fiscal 2005. The decrease in container cargo revenue was primarily due to a 14.3% decrease in container cargo volume from 0.07 million TEU's for the year ended March 31, 2005 to 0.06 million TEU's in fiscal 2005.

Our bulk cargo revenue accounted for Rs 379.14 million, or 49.8% of our operating revenue for the year ended March 31, 2005, of which Rs. 217.32 million was from marine services and Rs. 161.17 million was attributable to storage and handling charges. Our bulk cargo revenue accounted for Rs. 352.21 million, or 52.1% of our operating revenue for fiscal 2005. The decrease in bulk cargo revenue was primarily due to a 15.6% decrease in bulk cargo volume from 1.99 million tonnes for the year ended March 31, 2005 to 1.68 million tonnes in fiscal 2005.

Our LPG cargo revenue accounted for Rs. 7.97 million, or 1.0% of our operating revenue for the year ended March 31, 2005, of which Rs. 2.83 million was from marine services and Rs. 5.14 million was attributable to wharfage charges. Our LPG cargo revenue accounted for Rs. 7.61 million, or 1.1% of our operating revenue for fiscal 2005. Our LPG cargo volume was 0.02 million tonnes for the year ended March 31, 2005 and in fiscal 2005.

Our revenue from land-related activities accounted for Rs. 17.23 million, or 2.2% of our operating revenue for the year ended March 31, 2005, of which Rs. 11.83 million was attributable to long term user agreements with Shell Gas and CWC and Rs. 5.40 million was attributable to other port users. Our land-related revenue accounted for Rs. 10.92 million, or 1.6% of our operating revenue for fiscal 2005, of which Rs. 8.16 million was attributable to long-term user agreements with Shell Gas and CWC and Rs. 2.76 million was attributable to other port users.

Our revenue from the Ultratech jetty accounted for Rs. 61.35 million, or 8.1% of our operating revenue for the year ended March 31, 2005, which comprises pilotage charges and port dues. Our revenue from the Ultratech jetty accounted for Rs. 39.08 million, or 5.8% of our operating revenue for fiscal 2005.

Other income. Our other income was Rs. 21.69 million, or 2.8% of our total income for the year ended March 31, 2005 and Rs. 29.92 million, or 4.2% of our total income for fiscal 2005. Our other income includes interest received from banks and interest received from advances amounting to Rs. 9.85 million and Rs. 17.88 million for the year ended March 31, 2005 and fiscal 2005, respectively.

Total expenditure. Our total expenditure was Rs. 1,167.10 million and Rs. 982.85 million for the year ended March 31, 2005 and fiscal 2005, respectively.

Operational expenses. Our operational expenses were Rs. 259.45 million, or 33.1% of our total income for the year ended March 31, 2005 and Rs. 230.00 million, or 32.6% of our total income for fiscal 2005.

Repairs and maintenance. Our repairs and maintenance expenses were Rs. 42.11 million, or 5.4% of total income for the year ended March 31, 2005 and Rs. 46.26 million, or 6.6% of our total income for fiscal 2005. This increase in percentage was primarily due to an increase in repairs and maintenance expenses of plant and machinery for the repair of a quay crane.

Personnel costs. Our personnel costs were Rs. 62.76 million, or 8.0% of our total income for the year ended March 31, 2005 and Rs. 61.71 million, or 8.7% of our total income for fiscal 2005. This marginal increase in percentage was primarily due to annual compensation increases and other employee benefits.

Administration and other expenses. Our administration and other expenses were Rs. 161.18 million, or 20.6% of total income for the year ended March 31, 2005 and Rs. 173.24 million or 24.5% of our total income for fiscal 2005. This increase in percentage was primarily due to the increase in legal, consultancy and professional fees, which increased from Rs. 17.74 million to Rs. 62.90 million.

Borrowing cost. Our borrowing cost was Rs. 438.73 million, or 56.0% of our total income for the year ended March 31, 2005 and Rs. 310.03 million, or 43.9% of total income for fiscal 2005. This decrease in percentage was primarily due to lower rate of interest for fiscal 2005 under the CDR Package, which resulted in reduced borrowing cost.

Depreciation. Our depreciation expenses were Rs. 193.25 million or 24.7% of our total income for the year ended March 31, 2005 and Rs. 161.61 million, or 22.9% of total income for fiscal 2005.

Profit/ loss before exceptional item and tax. Our loss before exceptional item and tax was Rs. 383.32 million for the year ended March 31, 2005 and Rs. 276.70 million for fiscal 2005.

Exceptional items. We entered into a new agreement with Pipavav Ship Dismantling and Engineering Limited for land sub-lease, in lieu of the existing land sub-lease agreements with them. Under this new arrangement, in addition to alternative land sites provided, we agreed to pay Pipavav Ship Dismantling and Engineering Limited an amount of Rs. 130.00 million, shown under exceptional items for the year ended March 31, 2005 towards costs reimbursed for developing, filling up and reclaiming of the land occupied by us, for use as coal stockyard and storing of cargo equipment.

Profit/loss before tax. Our loss before taxation was Rs. 513.32 million and Rs. 276.70 million for the year ended March 31, 2005 and fiscal 2005, respectively.

Provision for tax. There was a provision for current tax (fringe benefit tax) of Rs. 1.72 million for fiscal 2005.

Net profit/loss after tax. Our net loss after tax was Rs. 514.22 million for the year ended March 31, 2005 and Rs. 278.42 million for fiscal 2005.

Financial Condition, Liquidity and Capital Resources

We have historically financed our capital requirements primarily through financing from banks and other financial institutions in the form of term loans and sales of equity. We generally fund our working capital requirements through cash generated from operating activities. We believe that we will have sufficient resources from our operations, net proceeds of this Issue and other offerings of securities and other financings from banks and financial institutions to meet our capital requirements for at least the next 12 months.

Set forth below is a table from our audited financial statements showing our cash flow from operations, cash flow from investing activities and cash investments in financing activities.

Cash Flows

The table below summarizes our cash flows for the periods indicated:

	For the year ended March 31, 2005	**For the nine month period ended December 31, 2005**	**For the year ended December 31, 2006**	**For the year ended December 31, 2007**	**For the three month period ended March 31, 2008**
Net cash (used in)/generated from operating activities	225.30	139.41	452.99	684.39	(135.23)
Net cash (used in) investing activities	(482.29)	(953.03)	(2,325.69)	(2,719.86)	(283.61)

	For the year ended March 31, 2005	For the nine month period ended December 31, 2005	For the year ended December 31, 2006	For the year ended December 31, 2007	For the three month period ended March 31, 2008
Net cash generated from/ (used in) financing activities	318.19	1,550.48	1,542.12	4,099.84	(226.08)
Net (decrease) / increase in cash and cash equivalents	61.20	736.86	(330.58)	2,064.37	(644.92)

As of March 31, 2008, we had cash and cash equivalents of Rs. 1,900.29 million. This represents cash and bank balances with banks in India. We do not have cash and bank balances outside India. Cash in form of bank deposits, current account deposits, margin money and cash on hand represent our cash and cash equivalents.

Operating Activities.

Net cash used in our operating activities for the three month period ended March 31, 2008 was Rs. 135.23 million and consisted of net loss before taxation of Rs. 203.22 million, as adjusted for depreciation of Rs. 79.76 million, interest expenses of Rs. 78.75 million paid on term loans, net unrealised foreign exchange loss of Rs. 4.09 million and increase in sundry creditors and provisions of Rs. 7.24 million, which was partly off-set by negative adjustments for interest income of Rs. 51.59 million on bank deposits, tax deducted at source of Rs. 26.33 million, increase in inventories of Rs. 1.39 million, increase in sundry debtors of Rs. 11.59 million and increase in loans and advances of Rs. 10.95 million.

Net cash generated from our operating activities in fiscal 2007 was Rs. 684.39 million and consisted of net loss before taxation of Rs. 796.45 million, as adjusted for interest expenses of Rs. 411.60 million on term loans, depreciation of Rs. 267.05 million, exceptional items of Rs. 38.55 million, decrease in sundry debtors of Rs. 63.16 million on account of recoveries from debtors, decrease in loans and advances of Rs. 44.78 million, and an increase in sundry creditors and other liabilities of Rs. 817.60 million due to increase in provision for traffic guarantee under the terms of the Traffic Guarantee Agreement, which was partly off-set by negative adjustments for interest income of Rs. 130.44 million principally from unutilised proceeds of a rights issue of shares, tax payments of Rs. 12.65 million and increase in inventories of Rs. 18.81 million.

Net cash generated from our operating activities in fiscal 2006 was Rs. 452.99 million and consisted of net loss before taxation of Rs. 641.22 million, as adjusted for borrowing cost of Rs. 473.45 million, depreciation of Rs. 245.97 million, exceptional items of Rs. 83.58 million consisting of the written down value of the dismantled portion of our LPG jetty, decrease in loans and advances of Rs. 64.42 million, and increase in sundry creditors and other liabilities of Rs. 348.03 million due to provision for traffic guarantee claims under the terms of the Traffic Guarantee Agreement, which was partly off-set by negative adjustments for interest income of Rs. 35.41 million, profit on sale of fixed assets of Rs. 17.55 million, increase in sundry debtors of Rs. 51.87 million, which were subsequently recovered, and increase in inventories of Rs. 12.66 million.

Net cash generated from our operating activities in fiscal 2005 was Rs. 139.41 million and consisted of net loss before taxation of Rs. 276.70 million, as adjusted for interest expenses of Rs. 310.03 million, depreciation of Rs. 161.61 million, receipt of a direct tax refund of Rs. 7.14 million in relation to assessment year 2004- 2005. Increase in sundry creditors and provisions of Rs. 21.01 million on account of increases in creditors related to our Port’s expansion and claims under the terms of the Traffic Guarantee Agreement, which was partly off-set by negative adjustments for unrealised foreign exchange gain of Rs. 11.73 million, interest income of Rs. 17.88 million, increase in sundry debtors of Rs. 15.66 million and increase in loans and advances of Rs. 45.61 million due to share application money of Rs 50.00 million paid to PRCL.

Net cash generated from our operating activities for the year ended March 31, 2005 was Rs. 225.30 million and consisted of net loss before taxation of Rs. 513.32 million, as adjusted for interest expenses of Rs. 438.73 million, depreciation of Rs. 193.25 million, direct tax refund of Rs. 5.48 million, decrease in loans and advances of Rs. 19.21 million, increase in sundry creditors and other liabilities of Rs. 116.01 million on account of amount payable to our former promoters towards the equity contribution in PRCL and provision for claims raised by customers and suppliers, prior period items of Rs. 9.62 million which was partly off-set by negative adjustment for unrealised foreign exchange gain of Rs. 7.33 million, interest income of Rs. 9.85 million, increase in inventories of Rs. 6.59 million and increase in sundry debtors of Rs. 21.57 million.

Investing Activities

Net cash used in investing activities for the three month period ended March 31, 2008 was Rs. 283.61 million, primarily due to capital expenditure of Rs. 341.82 million towards the construction of a container berth, LPG cargo jetty and container yard, which was partly offset by cash received from interest income of Rs. 58.21 million.

Net cash used in investing activities in fiscal 2007 was Rs. 2,719.86 million, primarily due to the purchase of fixed assets for our expansion plan, the construction/modification of LPG cargo jetty and the purchase of rail-mounted quayside container cranes and RTGs.

Net cash used in investing activities in fiscal 2006 was Rs. 2,325.69 million, primarily due to the purchase of fixed assets such as the acquisition of land for our rail project and the development of container terminal, amounting to Rs. 2,424.71 million. These cash expenditures were partly offset by cash received from sale proceeds of fixed assets of Rs. 64.82 million and from interest income of Rs. 32.40 million.

Net cash used in investing activities in fiscal 2005 was Rs. 953.03 million, primarily due to the purchase of fixed assets for widening our bulk cargo jetty amounting to Rs. 305.66 million. These cash expenditures were partly offset by cash received from sale proceeds of fixed assets of Rs. 21.08 million and from interest income of Rs. 11.55 million. In addition, we made an investment of Rs. 680.00 million in PRCL.

Net cash used in investing activities for the year ended March 31, 2005 was Rs. 482.29 million, primarily due to purchase of fixed assets, purchase of land and the purchase of three quay cranes for an aggregate amount of Rs. 337.57 million. These cash expenditures were partly offset by cash received from sale proceeds of fixed assets of Rs. 1.16 million and from interest income of Rs. 4.12 million. In addition, we made an investment of Rs. 150.00 million for acquiring equity interest in PRCL.

Financing Activities. Net cash used for financing activities for the three month period ended March 31, 2008 was Rs. 226.08 million, primarily due to the repayment of long-term borrowing of Rs. 165.89 million and interest payments of Rs. 60.19 million.

Net cash generated from financing activities in fiscal 2007 was Rs. 4,099.84 million, primarily as a result of proceeds from our rights issue of Equity Shares for an aggregate amount of Rs. 4,180.19 million and long term borrowings of Rs. 1,050.60 million. This was partly offset by the repayment of long-term borrowings of Rs. 857.49 million and payment of interest of Rs. 261.91 million.

Net cash generated from financing activities in fiscal 2006 was Rs. 1,542.12 million, primarily as a result of long term loans of Rs. 2,001.60 million, which were partly offset by interest payments of Rs. 214.07 million and repayment of long term borrowings of Rs. 244.86 million.

Net cash generated from financing activities in fiscal 2005 was Rs. 1,550.48 million, primarily as a result of proceeds from the issuance of share capital of Rs. 1,451.10 million and procurement of long term and short term borrowings of Rs. 1,059.17 million, which were partly offset by interest payments of Rs. 258.20 million and repayment of long-term borrowings of Rs. 701.59 million.

Net cash generated from financing activities for the year ended March 31, 2005 was Rs. 318.19 million, primarily as a result of proceeds from long-term borrowings of Rs. 432.18 million, which was partly offset by interest payments of Rs. 75.16 million and repayment of long term borrowings of Rs. 38.83 million.

Capital Expenditure

For the three month period ended March 31, 2008 and fiscal 2007 and 2006, we spent Rs. 341.82 million, Rs. 2,769.05 million and Rs. 2,424.71 million, respectively, on capital expenditures. Capital expenditures for the three month period ended March 31, 2008 consisted primarily of expenditure related to the construction of a container berth, LPG cargo jetty and container yard. The capital expenditures for fiscal 2007 and 2006 primarily consisted of purchase of quay cranes and RTGs, the acquisition of land and construction of a container berth, LPG cargo jetty and container yard. We expect our capital expenditure needs in fiscal 2008 to be approximately Rs. 2,768.00 million and expect to meet these capital expenditure needs from cash generated from operating activities, long term borrowings and the net proceeds of the Issue. See "Objects of the Issue" on page 32 of this Draft Red Herring Prospectus.

We have filed a detailed project report with GMB seeking approval for implementation of future expansion of the Port infrastructure to accommodate coal imports and increases in our container handling capacity. Our proposed port infrastructure expansion plans, which involve significant capital expenditures, are currently pending GMB's approval. For details of our expansion plans, see "Our Business - Our Expansion Plans" beginning on page 74 of this Draft Red Herring Prospectus.

Indebtedness

Our total borrowings, particularly term loan from bank and other financial institutions, have increased from Rs. 3,910.64 million as of March 31, 2005 to Rs. 6,173.20 million as of December 31, 2007 and Rs. 6,027.28 million as of March 31, 2008. The increased borrowings reflect increased capital expenditure to expand port facilities.

Corporate Debt Restructuring and refinancing

We restructured our debt under the CDR mechanism, with effect from October 1, 2003 (the "CDR Package"). Under the CDR Package, our Company has entered into restructuring and loan agreements with Industrial Development Bank of India, Punjab National Bank, Export Import Bank of India and Industrial Investment Bank of India Limited. For details, see "History and Certain Corporate Matters" beginning on page 86 of this Draft Red Herring Prospectus.

In the CDR Empowered Group's meeting held on August 22, 2008, the lenders recommended our exit from the CDR Package by way of refinancing of debt. We have received a letter of intent from Infrastructure Development Finance Company Limited for a loan of an aggregate of Rs. 12,000.00 million to effect the refinancing. The loan will bear interest at an interest rate equivalent to 2.5% per annum above the benchmark rate prevailing on the date of each disbursement. The loan will be repayable in 48 equal quarterly instalments commending from the expiry of three years after the date of first disbursement.

The following table summarises our secured and unsecured long-term indebtedness and subordinated debt obligations as of the dates indicated:

	As of March 31, 2005	**As of December 31, 2005**	**As of December 31, 2006**	**As of December 31, 2007**	**As of March 31, 2008**
Secured Loans					
Debentures					
Non convertible redeemable debentures	569.90	161.08	-	-	-
Deferred interest on the above	78.50	32.06	-	-	-
Term loans **Long term loan**					
From bank	556.25	732.96	1,111.55	1106.39	1076.80
From financial institutions	2,165.17	2,918.29	4,748.96	4787.00	4666.69
Short term loan				-	-
From financial institution	255.77	-		-	-

Vehicle loans	0.05	-		-	**-**
Total Secured Loans	**3,625.64**	**3,844.39**	**5,860.51**	**5893.39**	**5743.49**
Unsecured Loans					
From promoters	**-**		-	279.81	283.79
From others	285.00	-	-	-	
Fully convertible Debentures		137.50	-	-	
Total Unsecured Loans	**285.00**	**137.50**	-	**279.81**	283.79
Total	**3,910.64**	**3,981.89**	**5,860.51**	**6,173.20**	**6,027.28**

For details, see section titled "Indebtedness" beginning on page 125 of this Draft Red Herring Prospectus.

Contractual Obligations and Commercial Commitments

Our purchase and other obligations include our capital expenditure obligations and other obligations and commitments, including for rental and finance lease payments. We define a purchase obligation as an arrangement to purchase goods or services that is enforceable and legally binding on us.

The following table summarizes our contractual obligations and commercial commitments as of March 31, 2008 and the effect such obligations and commitments are expected to have on our liquidity and cash flows in future periods.

Contractual Obligations	**As of March 31, 2008**	**Less than 1 year**	**1-5 years**	**More than 5 years**
(Rs. in millions)				
Long term debt	6,027.28	638.24	5,089.69	299.35
Operating leases [(1)]	11.80	5.96	5.84	-

[(1)] Our leasing arrangement is in respect of a non-cancellable operating lease for our corporate office premises in Mumbai.

Contingent Liabilities

As of March 31, 2008, our contingent liabilities were Rs. 745.09 million, which included bank guarantees outstanding of Rs. 255.35 million, claims from suppliers/consultants and other claims amounting to Rs. 489.74 million. We were unable to meet the Minimum Guaranteed Quantity of traffic under the terms of the Traffic Guarantee Agreement. We have accepted the claim made by PRCL and have accordingly provided for liability of Rs. 1,192.95 million up to the period ended March 31, 2008. Further to our negotiations with PRCL, we made a payment of Rs. 400.00 million to PRCL in March 2008 towards such claim.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates and certain key management members on an arm's length basis. Such transactions could be for provision of services, lease of assets or property (including intellectual property), sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see "Related Party Transactions" on page 118 of this Draft Red Herring Prospectus.

Seasonality

Our results of operations do not generally exhibit seasonality. However, there may be some variation in our quarterly income or profit after tax as a result of various factors, including those described above in "– Factors Affecting Our Results of Operations" and "Risk Factors" on pages 208 and xiii, respectively, of this Draft Red Herring Prospectus.

Impact of Inflation

Although India has experienced an increase in inflation rates in recent years, inflation has not had a material impact on our business and results of operations.

Off- Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

Qualitative And Quantitative Disclosures About Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign currency exchange risk and commodities risk. We are exposed to foreign currency exchange risk and interest rate risk in the normal course of our business.

Foreign Exchange Risk

The foreign exchange risk of either appreciation or depreciation of the Indian rupee would have some impact depending on our level of foreign currency exposure. We are in project implementation mode and have secured forward contracts for a significant portion of our foreign currency payable, relating to import of equipment such as quay cranes, RTG cranes and spreaders, for which orders have been placed and we are yet to receive delivery.

On the other hand, if the Indian rupee becomes stronger, it could affect the revenue from port operations since certain components of port revenue are dollar denominated. We presently do not hedge income from port operations.

Interest Rate Risk

Changes in interest rates could affect our results of operations as a significant part of our borrowings are at floating rates of interest or subject to reset of interest rate at periodic intervals. We currently also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates.

Significant Developments occurring after March 31, 2008

Except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Unusual or infrequent events or transactions

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

Known trends or uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "– Factors Affecting Our Results of Operations" and the uncertainties described in the section titled "Risk Factors" on pages 208 and xiii, respectively, of this Draft Red Herring Prospectus. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "Risk Factors" and "Our Business" in this Draft Red Herring Prospectus.

Increase in Income

Increases in our income are due to the factors described above in "– Factors affecting Our Results of Operations" and "Risk Factors" on pages 208 and xiii, respectively, of this Draft Red Herring Prospectus.

New products or business segments

We have not announced and do not expect to announce in the near future any new products or business segments, except in the ordinary course of our business.

Significant Dependence on a Single or Few Customers

For details, please refer to the sections "Risk Factors" and "Business" in this Draft Red Herring Prospectus.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or regulatory proceedings, including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, Promoters, Promoter Group companies or firms or Directors and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), and arrears of equity shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company, no Directors' of the Issuer, Promoter Group companies or have had their names on the RBI's defaulter's list or have been proceeded against for statutory violations and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Promoters, Promoter Group companies or firms or Directors.

Litigation Against the Company

Criminal Cases

1. M/s. Mantech Consultants has filed a case (Criminal Case No. 2273 of 2001) before Court of Metropolitan Magistrate, Ahmadabad against the Company and Mr. Nikhil Gandhi on November 25, 1999 for the offences under section 138 read with section 142 of the Negotiable Instruments Act, 1881. The brief facts are that the Company had entered into two lease agreements dated September 26, 1996 and September 27, 1996 for leasing 910 gas cylinders and further 515 gas cylinders respectively. The Company had issued 12 post dated cheques under each agreement payable quarterly to M/s. Mantech Consultants. Out of the same two cheques No. 408571 and 440969 of Rs. 322,574 and Rs. 569,984 respectively were dishonoured. M/s. Mantech Consultants issued statutory notice to the Company on October 15, 1999 and the Company replied on October 27, 1999. Thereafter, M/s. Mantech Consultants filed the present proceedings praying summons be served and a criminal case be filed against the Company and Mr. Nikhil Gandhi. The Magistrate Court has issued summons on October 10, 2001. The Company and Mr. Nikhil P. Gandhi have filed an application before the High Court to quash and set aside the said complaint. The Company has also sought stay of the proceedings in the criminal case before the Metropolitan Magistrate. By an order dated September 30, 2003 stayed the proceedings in the criminal case no. 2273 of 2001. The Hon'ble High Court by an order dated March 16, 2007 has directed the Company to make the payment of Rs. 754,028 without prejudice to their rights and contentions. The matter is currently pending.

2. By a letter dated June 25, 2007 (Ref no. 4251 of 07) the Police Officer, Cuffe Parade Police Station, Mumbai informed the Company that Vasant Investment Corporation Limited has filed a complaint against the Company (Ref no. MECR No.1/2007-2/2007) under Sections 420, 465, 467, 468, 471 and 34. By a letter dated November 7, 2007 the Police Officer, Cuffe Parade Police Station directed the Company to submit relevant documents or else there would be presumption that the Company has nothing to submit to defend itself. By letter dated November 8, 2007 and November 15, 2007 the Company has furnished relevant documents to the Police Inspector. The matter is currently under investigation.

3. The Company has filed a criminal application before the High Court of Gujarat (Special Criminal Application No. 2246 of 2007) on November 20, 2007 seeking directions to quash a complaint filed by Mr. Mayabhai Valabhai. The brief facts are that Mr. Mayabhai Valabhai has filed a complaint with the Police Sub-inspector, Marine Police Station, Port Pipavav on October 10, 2007 against Mr. Mark Pettigrew, Project Manager, Mr. Sanjay Sharma, Manager Administration and Mr. Mukesh S. Dave under the Schedule Caste and Schedule Tribe (Prevention of Atrocities) Act, 1999 on the grounds that the officers of the Company are trying to usurp the land situated at Survey No. 109 admeasuring 30 acres by encroached upon the pasture land and constructing a gate violating easement rights and thus preventing Mr. Mayabhai Valabhai from approaching his farm

land. Mr. Mayabhai Valabhai filed an affidavit in reply to the criminal application on March 29, 2008 stating that the complaint filed by him makes out a prima facie case and the Company cannot ask the High Court to inquire into the reliability or genuineness of the allegations made in the complaint. The matter is currently pending.

Civil Proceedings

1. Vasant Investment Corporation Limited has instituted a suit (Summary Suit No. 6470 of 1999) before the Bombay High Court claiming a sum of Rs. 7.10 million (including interest) from the Company as acceptors of certain bills of exchange. Vasant Investment Corporation Limited has alleged that three bills of exchange were drawn by M/s. Sharda Steel Corporation on the Company towards payment of certain invoices payable by the Company to M/s. Sharda Steel Corporation and that the Company neglected to make payment on such bills of exchange. The High Court by its order dated April 15, 2002 has transferred the case from the summary suit division to the commercial suit division. The Company has filed its written statement in the matter on October 13, 2003. The matter is currently pending before the High Court.

2. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2008) in an insolvency matter (Insolvency Notice No. 109 of 2007) filed before the Bombay High Court of Judicature at Bombay. The said insolvency matter has been filed by Vasant Investment Corporation Limited against Sharda Steel Corporation and others, wherein Sharda Steel Corporation and others have been declared judgement debtors. The notice of motion has been filed in the insolvency matter seeking to implead the Company and its directors and employees, being Mr. Hans Ole Madsen, Mr. Christian Møller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venkiteswaran, as proposed judgement debtors in the said insolvency matter on the grounds that by not complying with the requisitions of payment of bill of exchanges the proposed judgment debtors had committed an act of insolvency on which insolvency proceedings may be initiated. The judgment debtors' have claimed that the proposed judgment debtors are proper parties to the insolvency proceedings and that the suit filed by Vasant Investment Corporation Limited against the Company (Summary Suit No. 6470 of 1999, as mentioned in point no. 1 above) is still pending. The matter is currently pending before the High Court.

3. Sharda Steel Corporation Limited has filed a suit (Special Suit No. 36 of 2000) before the Court of Civil Judge (Senior Division) at Amreli against the Company for the recovery of approximately Rs. 233.12 million as amount due by the Company for the various quantities of steel, cement and building materials purchased by the Company. The court by its order dated April 13, 2000 directed that all bank accounts of the Company be frozen and further restrained the Company from transferring, selling, mortgaging or alienating any of its immovable properties. The Company filed an appeal challenging the order dated April 13, 2000 before the Gujarat High Court. By an order dated May 10, 2000, the order dated April 13, 2000 was modified directing the Company to maintain a balance amount in all its accounts aggregating to Rs. 10.00 million. Thereafter, the Company filed its written statement alongwith a counter claim in the said suit on July 26, 2000 denying the claims of the plaintiff and raising a counter claim of approximately Rs. 19.4 million against the plaintiff. The plaintiff on September 14, 2000, filed an application praying for the exclusion of the counter claim. By an order dated October 23, 2000 the Civil Court, Amreli granted an ex-parte injunction restraining the Company from transferring, selling or mortgaging the immovable properties worth Rs. 300 million. Subsequently, the parties have filed consent terms dated February 15, 2002 in the said suit in terms of which the Company has undertaken that the decree for any claim in the suit, if granted, will be satisfied by the Company by making payment within 90 days from the date of such decree. The payment shall be made without prejudice to the Company's right to file an appeal and the plaintiff shall pay back the amount paid within 90 days in case of reversal of judgment. Our Company shall furnish a bank guarantee for an amount of Rs. 3,0,500,000 and it shall file an undertaking that the whatever amount can be satisfied by furnishing "C" forms or amount adjudicated shall be paid within 90 days. the Order dated October 23, 2000 restraining the Company from transferring, selling or mortgaging the immovable properties worth Rs. 300 million, was modified in terms of the consent terms. The matter is currently pending before the Court at Amreli, Gujarat. Further, the parties have agreed to

appoint M/s. Chajjad & Doshi, Mumbai to look into complex set of transactions to arrive at the outstanding amount.

4. Sharda Steel Corporation has filed a suit (Special Suit No. 35 of 2000) before the Court of Civil Judge, Amreli against the Company for the recovery of approximately Rs. 6.52 million which had been advanced as loan to the Company by Sharda Steel Corporation. The Company has filed its written statement in the matter on September 14, 2000. The matter is currently pending.

5. M/s. Mahavir Corporation has filed a suit (Summary Suit No. 37 of 2000) before the Court of Civil Judge (Senior Division), Amreli for recovery of an amount of approximately Rs. 4.97 million. The brief facts of the case are that M/s. Mahavir Corporation had advanced a sum of Rs. 1.50 million to the Company for its business necessities at an interest of 42% per annum. M/s. Mahavir Corporation has alleged that the said advanced amount is due from the Company alongwith interest and in view thereof M/s. Mahavir Corporation has filed the proceeding for recovery of money against the Company. The Company has filed its written statement in the matter on September 14, 2000. The matter is currently pending.

6. M/s. Mantech Consultants has filed a suit (Civil Suit No. 34 of 2000) before the City Civil Court, Ahmedabad against the Company. The brief facts of the case are that the parties had entered into two lease agreements dated September 26, 1996 and September 27, 1996 for lease of gas cylinders by M/s. Mantech Consultants to the Company. It is alleged by M/s. Mantech that the Company has failed to pay the last quarterly instalment in respect of each of the lease agreements. Further, it is alleged that the gas cylinders were not returned to M/s. Mantech by the Company and thus a claim for damages arose against the Company. M/s. Mantech has claimed a sum of approximately Rs. 0.89 million being the amount of lease rental payable by the Company and a sum of approximately Rs. 0.89 million being the amount of damages payable by the Company alongwith further damages at the rate of Rs. 0.89 million for every quarter till the gas cylinders are returned. The matter is currently pending.

7. Riddhi Siddhi Builders have filed a suit (Special Suit No. 125 of 2000) before the Court of Civil Judge, Amreli for recovery of a sum of Rs. 32.79 million from the Company as damages. Riddhi Siddhi Builders have claimed that the Company had agreed to purchase flats developed by Riddhi Siddhi Builders which it has failed to purchase. Riddhi Siddhi Builders also filed an interim application for restraining the Company from transferring its property, however, the same was dismissed by the court by its order dated April 26, 2001. Thereafter, the Company has filed a caveat application before the Hon'ble High Court praying that no ex-parte order be passed against the Company by the Hon'ble Court. The matter is currently pending before the court.

8. ICICI Bank Limited has filed an application (Original Application No. 210 of 2004) before the Mumbai Debt Recovery Tribunal against the Company, Seaking Engineers Limited and Mr. Nikhil Gandhi for recovery of approximately Rs. 5.85 million. The brief facts of the matter are that ICICI Bank Limited had advanced lease assistance of Rs. 50 million to the Company by way of an agreement (Lease agreement) dated March 18, 1995. The terms of the agreement stated that the liability arising towards sales tax, surcharges and cess would be payable by the Company. Subsequently, a demand of approximately Rs. 3.30 million was raised by the Sales Tax Officer for lease effected during the period 1995-1998 which was paid by ICICI Bank Limited. Thereafter, ICICI Bank Limited has claimed a sum of Rs. 5.85 million from the Company, being the sales tax liability paid as on November 30, 2004 alongwith interest of 19.5%. ICICI Bank Limited in its application has sought to recover the amount paid towards the sales tax liability and has further sought a temporary injunction restraining the defendants from alienating or disposing any property held by them. Further, it is also prayed by ICICI Bank Limited that a receiver be appointed for Seaking Engineers Limited and Mr. Nikhil Gandhi and pending disposal of the application the defendants shall furnish security for the amount claimed as well as property of the Company be attached. The Company filed its affidavit of claim on February 6, 2008 and the matter is currently pending before the Debt Recovery Tribunal.

9. Jagriti Upbhogta Kalyan Parishad and others have filed a writ petition (No. 758 of 1996) before Supreme Court against Union of India through Secretary, Ministry of Petroleum and others. The

petition was filed on the grounds that S. B. Petroleum Limited had made a public announcement stating that it was proposing to start import and manufacture of LPG which would be supplied through state, district and area level distributors. For this purpose S. B. Petroleum Limited had collected a sum of approximately of Rs. 20 million however no supply was provided to the public. The Supreme Court by its order dated January 13, 2003 directed High Court of Allahabad to appoint a special bench to deal with the matter and a special commissioner to implement the order. By an order dated November 18, 2003 Justice R. A. Sharma (Retd.) was appointed as special commissioner. The special commissioner by a letter dated October 10, 1998 attached a sum of Rs. 1.70 million which the Company had received from S. B. Petroleum advance towards allotment of land. Further, by an order dated January 7, 2005 the special commissioner also directed the Company to either deposit a sum of Rs. 12.27 million or permit the special commissioner to take charge of the two properties which were leased to S. B. Petroleum Limited. The Company filed an interim application (I. A. No. 28 of 2005) in the said writ petition to be added as a respondent and sought modification of the order dated January 13, 2003 by deleting properties mentioned as survey no. 42 which is practically whole of Port and not 20 acres alongwith other interim relief. The company has also filed a Special Leave Petition (No. 7804/05) against the special commissioner and S. B. Petroleum Limited against the said order dated January 7, 2005 passed by the special commissioner and the said order dated November 18, 2003 passed by Allahabad High Court appointing the special commissioner. The interim application and the special leave petition are currently pending.

10. The Directorate of Revenue Intelligence, Regional Unit Jamnagar had issued a show cause notice (F. No. DRI/JRU/INV-02/2004) dated October 4, 2004 to the Company, M/s. Kotex Infrastructure Limited, M/s. Pipavav Ship Dismantling and Engineering Limited, M/s. Asia Overseas (C&F) Private Limited., M/s. Chiyoda Corporation and M/s. Pipavav Railway Corporation Limited and other individuals to show cause as to why penalty should not be imposed on them under Section 112 of the Customs Act, 1962. The show caused notice stated that certain structures/plant/machinery were imported by M/s. Kotex Infrastructure Limited by improper utilisation of the Special Imprest License and that the Company had at certain stages knowingly acquired possession of or dealt with such structures/plant/machinery. The Company by its letter dated January 14, 2005 addressed to the Commissioner of Customs, Jamnagar, Commissioner of Customs, Mumbai and Commissioner of Customs (Import), Mumbai has replied to the said show cause notice. The matter is currently pending before Commissioner of Customs Adjudication, Mumbai.

11. M/s. Kalvir, through its proprietor Mr. Kantilal Vitthaldas Patel, has filed a special civil application (No. 7137 of 1998) before the High Court of Gujarat at Ahmedabad against the State of Gujarat, The Secretary, Port Department and the Managing Director of the Company. The brief facts of the matter are that M/s Kalvir had applied to the Company for allotment of a plot of land for carrying out ship-breaking activity and for that purpose it had forwarded two cheques for an amount of Rs. 0.50 million and Rs. 0.20 million. It has been alleged by M/s. Kalvir that the Company has not made a decision to allot land for carrying out ship breaking activity although the money has been paid long back in the year 1993. In view thereof, M/s Kalvir filed the abovementioned civil application for issue of a writ or direction to the respondents in the matter to refund the said amount of Rs. 0.70 million with interest at the rate of 24% per annum. The Hon'ble High Court by its order dated October 16, 2008 directed the Company to refund an amount of Rs. 0.50 without interest within three months to M/s Kalvir. The Company filed a Letters Patent Appeal (No. 78 of 1999) challenging the order dated October 16, 1998 alongwith a Civil Application (No. 164 of 1999) for stay of the order dated October 16, 1998 till final disposal of the Letters Patent Appeal. The Hon'ble High Court granted a stay against the order dated October 16, 1998 and by its order dated March 15, 2000 allowed the Letters Patent Appeal, setting aside the order dated October 16, 2008. The Hon'ble High Court has directed that the matter be remanded to the Single Judge. The matter is currently pending.

12. Indo-Dutch Business Development Centre has instituted a suit (Civil Suit No. 600 of 1998) before the City Civil Court, Ahmedabad against the Company and Mr. Nikhil Gandhi on January 31, 1998. In the said matter Indo-Dutch Business Development Centre has claimed an amount of Rs. 115.50 million equivalent to Dutch Guiders 6,079,306 against the Company being the amount due

under the agreement dated September 25, 1992 between Indo-Dutch Business Development Centre and the Company. By virtue of the agreement, the Indo-Dutch Business Development Centre was appointed as the overall consultant for setting up and development of the Port and was also to serve as adviser to the Company in all matter with foreign consultants, contractors, manufacturers, suppliers, financial institutions etc. in order to setting up of modern and efficient port. Indo-Dutch Business Development Centre has also claimed to have rendered services as overall consultant for the entire project for the development of Port and the Company has neglected to make payment under the agreement. Further, Indo-Dutch Business Development Centre has on March 2, 1998 sought permission to amend the plaint to raise the amount claimed to Rs.135.86 million equivalent to Dutch Guilders 6,793,006. The Company has filed its written statement dated July 6, 1999 before the City Civil Court. The matter is currently pending.

Land related litigation

1. Mr. Gulabsinh Agarsinh Vala has filed a civil suit (Civil Suit No. 77 of 2002) before the Court of Civil Judge, Amreli against the State of Gujarat, GMB and the Company on the grounds that GMB has, without acquiring land through the state government under the Land Acquisition Act, leased land to the Company. The Plaintiff claims that portions of land bearing survey no. 6 admeasuring approximately 2,529 sq. mts, out of 0 acres 30gunthas, from survey no. 8, 21,347 sq. mts out of 5 acres 11 gunthas, which is part of the land leased to the Company is owned by the plaintiff. The plaintiff has claimed that the defendants have no power to deal with the said disputed land and that GMB has no authority to lease the land. The plaintiff has sought that the lease deed be declared null and void and a permanent stay be issued against the defendant not to interfere in the ownership rights of the plaintiff. The Company and GMB have filed their written statements in the matter on September 15, 2003. The matter is currently pending.

2. Mr. Mayabhai Valabhai Khasia and Mr. Khodabhai Valabhai Khasia have instituted a suit (Regular Suit No. 170 of 1998) dated November 3, 1998 before the Hon'ble Civil Judge, Amreli against the State of Gujarat, through the Collector, Amreli, the Chief Secretary, Revenue Department and the Company. The brief facts of the matter are that Mr. Mayabhai Valabhai Khasia, Mr. Khodabhai Valabhai Khasia and their father were allotted 30 acres of land by the Collector, Amreli by an order dated March 15, 1982 and were required to pay the value of the land in five instalments. The plaintiffs have claimed that they were unaware of the requirement to pay the value of the land amounting to Rs. 2,783.75 with interest at 6% pa. and consequently their allotment was cancelled. The plaintiffs have filed the suit for declaration and permanent injunction on the grounds that the land bearing survey No. 109 admeasuring 30 gunthas situated in village Rampara -2 is allotted to them by way of tenancy and hence, they are the owners of the same and the plaintiff are ready and willing to pay its value. The plaintiffs also filed an application for ad-interim injunction dated November 3, 1998 praying that the State of Gujarat and Chief Secretary, Revenue Department be restrained from interfering with the use and occupation of the land, however, the application was dismissed by an order of the the Civil Judge dated January 15, 1996. The Company in its written statement dated July 5, 2003 has stated that the matter should be dismissed as the same has been adjudicated in a previous application (Sp. C.A. 3762 of 1998) filed by the plaintiffs against the Company.

2\. The Gram Panchayat, Rampara-2, has filed an application (Special Civil Application No. 3016 of 2008) against the Company and others before the High Court of Gujarat on February 15, 2008. The brief facts are that land situated at survey no. 42 was allotted to GMB in 1986. The Deputy Director of Land Revenue, Bhavnagar by an order dated February 16, 2006 cancelled the measurements carried out in respect of survey no. 42 and survey no. 740 of Rampura Village based on which the allotment of land was made. The Company, in possession of the land, preferred an appeal before the Settlement Commissioner and Inspector of Land Records, Gujarat. The Settlement Commissioner and Inspector of Land Records, Gujarat passed an order setting aside the order dated February 16, 2006. Thereafter, the Gram Panchayat issued a notice to the Company dated August 19, 2004 for removal of encroachment stating that the Gram Panchayat was the owner of the land bearing survey no. 42 and that the Company had encroached upon the same. The

Company replied to the notice on August 28, 2004 claiming lawful possession of the land.. By notice dated April 5, 2007 the Gram Panchayat informed the Company that it intended to remove the encroachment by employing bull dozers, JCB machines, trucks and labourer. Aggrieved by this the Company preferred an appeal (Appeal No. 3 of 2007) on April 18, 2007 before the District Panchayat Appellate Committee, Amreli. By an order dated July 26, 2007 the appeal of the company was rejected and the Company was directed to remove the encroachment within the time limit. The Gram Panchayat, by a letter dated August 6, 2007 instructed the Company to remove the encroachment upon the land before August 9, 2007 failing which the same would be removed at the cost and expense of the Company. Thereafter, the Company preferred an appeal before the Secretary, Panchayat Development, Sachivalaya, Gandhinagar on August 8, 2007. However, prior to the hearing of the parties in the matter the representatives of the Gram Pancahayat on August 10, 2007 commenced demolition of parking structure and also threatened to demolish the port user building. Subsequently, the Officer on Special Duty and Deputy Secretary (Inquiry) by an order dated January 28, 2008 allowed the revision application of the Company and set aside the order dated July 26, 2007 passed by the Appellate Committee and further quashed and set aside all notices issued by the Gram Panchayat. Aggrieved by this the Gram Panchayat has preferred the present application. The Company filed its affidavit in reply on March 13, 2008. The matter is currently pending.

3. Mr. Harijan Rudabhai Aalabhai and Mr. Ram Jivabhai have filed an appeal (Appeal No. 67 of 2006) before the Collector, Amreli on September 26, 2006 against the Deputy Collector and Infrastructure Construction Company Limited, C/o the Company. Infrastructure Construction Company Limited purchased agricultural land comprising of survey No. 54/2 admeasuring approximately 11 acres and survey no. 54/1 admeasuring approximately 11 acres situated in village Bherai and applied to the Collector, Amreli to allow the use of land for industrial purpose. The Deputy Collector, Rajula by an order dated July 30, 2005 granted permission for use of the said land for industrial purpose. The said order has been challenged on the grounds that the survey numbers mentioned in the order are not consistent in view of the details of possessor as per government records. Thus Mr. Harijan Rudabhai Aalabhai and Mr. Ram Jivabhai have prayed that the certificate issued by the Deputy Collector be declared illegal. The Infrastructure Company Limited has filed its reply on October 16, 2007 seeking a dismissal of the appeal. The matter is currently pending.

4. Mr. Jivabhai Rambhai Ram has filed an appeal (Entry Appeal Revision Case No. 323 of 2008) dated January 17, 2008 against the Deputy Collector, Rajula, Circle officer, Rajula, Mamlatdar Rajula, Talati-cum-mantri Bherai and the Infrastructure Company Limited C/o. the Company before the District Collector, Amreli. The brief facts are that land bearing survey no. 54/A/2 situated in Bherai Village, Taluka Rajula was purchased by Infrastructure Construction Company Limited registered vide document no. 981 of 1998 dated August 20, 1998. An entry no. 1241 of the purchase was noted in land records, however, the same was challenged by Mr. Jivabhai Rambhai Ram by filing an appeal before the Deputy Collector (Entry Appeal Case No. 34 of 2006) stating that the entry was illegally sanctioned. The Deputy Collector, Rajula by an order dated December 17, 2007 dismissed the appeal and the decision of the Circle Officer relating to the entry for purchase was kept unchanged. Thereafter Mr. Jivabhai Rambhai Ram has preferred the present application challenging the order of the Deputy Collector dated December 17, 2007. The Infrastructure Company Limited has filed an application on July 29, 2008 stating that an application (Case No. 67 of 2007) has been instituted before the Collector, Amreli in relation to land bearing survey no. 54/1 and 54/2 against Infrastructure Company Limited and has thus requested the Court to first render decision in that matter before adjudging on this appeal.

5. Mr. Jivabhai Rambhai Ram (Power of attorney holder of Harijan Rudabhai Alabhai) has filed an appeal (Entry Appeal Revision Case No. 324 of 2008) against the Deputy Collector, Rajula, Circle officer, Rajula, Mamlatdar Rajula, Talati-cum-mantri Bherai and the Infrastructure Company Limited C/o. the Company on January 17, 2008 before the District Collector, Amreli. The brief facts are that land bearing survey no. 54/A/3 located in Bherai Village, Taluka Rajula, was purchased by Infrastructure Construction Company Limited by an agreement dated August 20, 1998. On the basis of this, entry was noted in village format no. 6 vide entry no. 1242. Mr. Jivabhai Rambhai Ram had filed an appeal to the Deputy Collector and Sub divisional Magistrate

(Entry Appeal Case No. 36 of 2006) stating that the entry was illegally sanctioned. The Deputy Collector, Rajula passed an order dated December 12, 2007 dismissing the said appeal. Thereafter Mr. Jivabhai Rambhai Ram preferred the present application challenging the order of the Deputy Collector dated December 17, 2007. The Infrastructure Company Limited has filed an application on July 29, 2008 stating that an application (Case No. 67 of 2007) has been instituted before the Collector, Amreli in relation to land bearing survey no. 54/1 and 54/2 against Infrastructure Company Limited and has thus requested the Court to first render decision in that matter before adjudging on this appeal.

Labour Proceedings

1. Mr. Chetan Pravinbhai Vyas has in the year 2003 filed an application (L.CA. No. 7 of 2003) before the Labour Court, Amreli. The Company terminated the services of Mr. Vyas with effect from June 30, 2002 by giving him 15 days notice of termination. Upon his services being terminated Mr. Vyas filed the abovementioned application praying the Company be directed to continue services of Mr. Vyas as Accounts Assistant and to pay him salary for the days he was removed from service. The Labour Court by its award dated September 29, 2006 dismissed the application as neither Mr. Vyas nor his advocate had appeared in the matter. Thereafter, Mr. Vyas filed another application before the Labour Court, Amreli (I.D.P.C. No. 5 of 2006) praying that the original application filed by him be heard again which was again dismissedby an order dated December 26, 2007. Mr. Vyas has filed an application (No. 11817 of 2007) before the High Court of Gujarat seeking issuance of a writ of certiorari or any other writ quashing the orders passed the Labour Court. The matter is currently pending.

2. Mr. Rahimbahi Ganibhai Saiyad has filed an application (L.C.A. No. 19 of 2007) before the Labour Court, Amreli seeking an order directing the Company to reinstate the services of Mr. Saiyad from the date of retrenchment i.e. September 9, 2005 and also to pay the salary due to him by the Company from the date of retrenchment till the date of rejoining. The matter is currently pending.

3. Mr. Mohmad Salim Selot has filed a suit (LCA No. 6 of 2005) against the Company before the Labour Court, Amreli for his reinstatement to employment from the date of retrenchment and for payment of salary from date of retrenchment until the date of reinstatement. The Company has filed its statement of reply on February 2, 2007 stating that he was removed from employment, as his services were not satisfactory during the probation period. The matter is currently pending.

4. Mr. Prithvirajsinh J. Gautam has filed an application (L.CA. No. 4 of 2005) against the Company before the Labour Court, Amreli for reinstatement of Mr. Gautam to his previous designation in the Company with full back wages, continuity of service and other incidental benefits from August 25, 2004 with revised salary for interrupted period. Mr. Gautam claims that being a workman he is entitled to the relief claimed. The Company in its written statement dated October 28, 2005 has stated that Mr. Gautam is not a workman and therefore he is not entitled to the relief claimed. The matter is currently pending.

5. Mr. Saiyad M. Selot has filed an application (L. C. A. 7 of 2005) before the Labour Court, Amreli against the Company challenging the termination of his services without proper notice or notice pay. The Company has filed its reply on February 2, 2007 claiming that Mr. Selot was employed as a probationer and his services were terminated as he did not perform satisfactorily. The matter is currently pending.

6. Mr. Vikrambhai S. Wagh has filed an application (L.CA. No. 31 of 2007) against the Company before the Labour Court, Amreli praying before the Court to issue directions to the Company to re-employ him and pay back wages. The Company has filed its reply in the matter on August 22, 2008. The matter is currently pending.

7. Mr. Parbatbhai J. Vadher has filed an application (L.C.A. No. 16 of 2005) before the Labour Court, Amreli praying that the Court set aside his dismissal order and direct the Company to re-employ him with all benefits and wages. The Company has filed its reply dated February 23, 2007

wherein stating that the applicant was relieved from his employment after giving a show cause notice and conducting a departmental inquiry for indiscipline. The matter is currently pending.

8. Mr. Rajeshkumar Chandulal Mehta has filed an application (Special Civil Application No. 28278 of 2007) before the High Court of Gujarat, Ahmedabad against the Manager, Port of Pipavav challenging the ex parte order dated October 10, 2007 passed by the Labour Court, Amreli rejecting the miscellaneous application (No. 4 of 2006) filed by Mr. Mehta. Mr. Mehta had filed reference proceedings (LCA No. 37 of 2003) before the Labour Court, Amreli for wrongful termination of his services. The application was rejected by the court by an order dated October 13, 2006. Thereafter, Mr. Mehta filed a miscellaneous application (No. 4 of 2006) before the Labour Court, Amreli for restoration of reference proceedings (LCA No. 37 of 2003). The Labour Court, Amreli by an ex parte order dated October 10, 2007 rejected the miscellaneous application. Mr. Mehta has filed the special civil application before the High Court of Gujarat seeking an order quashing the impugned order dated October 10, 2007 and direction for restoration of original reference (LCA No. 37 of 2003). The matter is currently pending.

9. Mr. Laxminarayan R. Pandey has instituted a compliant (Complaint (ULP) No. 197 of 2004) dated April 29, 2004 before the VIIth Labour Court, Mumbai against the Company and Henrik Christensen, Chief Executive Officer of the Company seeking an order setting aside the notice of retrenchment dated June 14, 2004 and a direction to the Company to reinstate Mr. Laxminarayan R. Pandey with full back wages and continuity of service. The Company filed its written statement in the matter on November 5, 2005. The matter is currently pending.

10. Mr. T. Balan has instituted a compliant (Complaint (ULP) No. 198 of 2004) dated April 29, 2004 before the VIIth Labour Court, Mumbai against the Company and Henrik Christensen, Chief Executive Officer of the Company. In the complaint Mr. Balan has sought an order setting aside the notice of retrenchment dated June 14, 2004 and a direction to the Company to reinstate Mr. Balan with full back wages and continuity of service. The Company filed its written statement in the matter on November 5, 2005. The matter is currently pending.

11. Mr. S. Mani has instituted a compliant (Complaint (ULP) No. 199 of 2004) dated April 29, 2004 before the VIIth Labour Court, Mumbai against the Company and Henrik Christensen, Chief Executive Officer of the Company. In the complaint Mr. Mani has sought an order setting aside the notice of retrenchment dated June 14, 2004 and a direction to the Company to reinstate him with full back wages and continuity of service. The Company filed its written statement in the matter on November 5, 2005. The matter is currently pending.

12. Mr. Virambhai Chandrakantbhai Dave has filed an application (I.E.S.O. Application No. 2 of 2008) dated August 20, 2008 against Mr. R. Muthukumar, head of human resource department of the Company before the Labour Court, Amreli. Mr. Dave has alleged that Mr. Muthukumar gave him an oral threat on August 19, 2008 that the Company will remove him from service. Mr. Dave has prayed before the Court to interpret the said oral order and pass any relief which is deemed fit. Mr. Dave has also filed an interim application seeking an injunction restraining the Company from preventing his performance or stopping his monthly salary as well as the allowances of the applicant. The Company in its written statement dated September 12, 2008 has stated that Mr. Dave has been served with termination notice on August 11, 2008 as his performance was not found to be satisfactory, however, the notice was not accepted by Mr. Dave. The Company prays that the application and the interim application be dismissed with cost. The matter is currently pending.

13. Mr. Lavjibhai Bhagwanbhai Bhil has filed an application (Non Fatal Compensation Application No. 11 of 2004) dated August 9, 2004 before the Labour Court, Amreli against the Company, M/s.Cotex Instructors Limited, Oriental Insurance Company Limited and National Insurance Company Limited. Mr. Lavjibhai Bhagwanbhai Bhil while driving the dumper owned by M/s. Cotex Instructors Limited was injured due to the carelessness of the driver of the crane belonging to the Company. Mr. Lavjibhai Bhagwanbhai Bhil has claimed a sum of approximately Rs. 2,11,970 as compensation. Mr. Lavjibhai Bhagwanbhai Bhil has also filed an application for condonation of delay on August 9, 2004 and requests the court to pass an order for registering the

compensation application under Workmen Compensation Act and allowing the application. The Company in its written statement dated February 8, 2005 has stated that Mr. Bhil was not a labourer or employee of the Company on date of the accident and prays that the application be dismissed. The matter is currently pending.

14. The Assistant Labour Commissioner, GoG has referred an industrial dispute between the Company and its workmen, C/o. Amreli Jilla Mazdoor Sabha and Mr. Dula S. Wagh to the Industrial Tribunal, Bhavnagar (Reference IT No. 31 of 2003). The question for determination is whether or not 17 employees of the Company should be made permanent employees with effect from their date of joining and should be paid the wages, allowances and all other benefits together with arrears as available to permanent employees. By an application dated October 29, 2004 the Port Pipavav Mazdoor Sangh has sought to be added as a party to the matter as it represents some of the employees involved. By a part order dated October 18, 2006 the Industrial Tribunal, Bhavnagar, granted permission to withdraw the dispute of 16 workmen as they have entered into a settlement. The reference is pending with regard to one Mr. Vikram S. Wagh. The matter is currently pending.

Arbitration Proceedings

1. Indian Oil Corporation Limited and the Company have initiated arbitration proceedings to be adjudicated upon by Justice B. N. Srikrishna (Retd.) as the sole arbitrator to determine a claim raised by Indian Oil Corporation Limited against the Company towards refund of the land premium deposited by Indian Oil Corporation Limited under the User License Agreement dated February 27, 1998 under which right to use the land admeasuring approximately 70 acres for various purposes such as construction of import, storage, handling, filling and distribution facilities for LPG/petroleum oil and lubricants/chemicals etc was granted to Indian Oil Corporation Limited by the Company. The claim of Indian Oil Corporation Limited arose on account of alleged breach of the terms and conditions of the said User License Agreement by the Company which led to the frustration of Indian Oil Corporation Limited's purpose of entering into the said agreement acquiring the right to use the said land. The total amount claimed against the company is approximately Rs. 204.74 million. The Company has raised a counter claim of approximately Rs. 1,424.27 million against Indian Oil Corporation Limited towards certain development charges for the land payable by Indian Oil Corporation Limited, contribution towards the liability incurred by the Company under the Traffic Guarantee Agreement with Pipavav Railway Corporation Limited, user charges etc. The matter is currently pending before the sole arbitrator.

Income Tax Proceedings

1. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) on August 28, 2008 challenging the order dated July 24, 2008 passed by the Assessing Officer in relation to assessment year 2008-09. The facts in brief are that the Company had entered into a contract with Shanghai Zhenhua Port Machinery Company Limited, China for supply of cranes and separate service contracts for installation and commissioning services in relation to the cranes. The Company had appointed Liftech Consultants Inc., USA for rendering of engineering services in relation to the review of pre-determined design and construction audit. A demand of Rs.15,846,225 was raised against the Company as assessee in default for failing to deduct tax at source. The Company has submitted that it cannot be treated as assessee in default under Section 201 of the Income Tax Act, 1961 on account of failure to deduct tax on payment made under the aforementioned contracts.

2. The Company has filed an appeal before the Commissioner of Income-tax (Appeals) on August 28, 2008 challenging the order dated July 24, 2008 in relation to the assessment year 2007-08. A demand of Rs. 1,118,647 has been raised against the Company as assessee in default for failing to deduct tax at source. The Company has submitted that it cannot be treated as assessee in default under Section 201 of the Income Tax Act, 1961 on account of failure to deduct tax on payments made to Liftech Consultants Inc., USA.

3. The Company had filed an appeal before the Deputy Commissioner (Appeals) of Income tax and Commissioner of Income Tax (Appeals) on April 7, 2005 challenging the order dated February 28,

2005 passed by the Assessing Officer in relation to the assessment year 2002-03. The Company prayed that it be permitted to set off interest of Rs. 1,618,386 paid to Industrial Development Bank of India against the interest income received from fixed deposits and other deposits. By an order dated August 24, 2005 the appeal was dismissed. The Company has filed an appeal before the Income Tax Appellant Tribunal on September 26, 2005 praying that it be allowed to set off the interest received on fixed deposit against the interest paid on loan to Industrial Development Bank of India. By a letter to the Income Tax Appellant Tribunal, 'I' Bench dated August 28, 2008 the Company has requested that the said appeal be blocked for 3 months so that the miscellaneous application filed by the Company against the order for assessment year 2000-01 by the Income Tax Appellant Tribunal would be disposed off.

4. The Company had filed an appeal before the Commissioner of Income-tax (Appeal), Central-V, Mumbai on April 23, 2004, against the assessment order dated March 24, 2004 for the assessment year 2001-02. The Company had claimed that the interest payment of Rs. 2,351,966 be netted against the interest paid on loan to Industrial Development Bank of India and a consequential tax refund be granted to the Company. By an order dated September 29, 2004 the Commissioner of Income tax (Appeals) dismissed the appeal. The Company has filed an appeal before the Income Tax Appellant Tribunal on January 10, 2005 claiming that the interest received on fixed deposits should be netted off against interest paid on loan to Industrial Development Bank of India. On August 23, 2008 the Company approached the Income Tax Appellant Tribunal – 'I' Bench, Mumbai and requested that the said appeal be blocked for 3 months so that the miscellaneous application filed by the Company on July 4, 2008 against the order of the Income Tax Appellant Tribunal for the assessment year 2000-01 would be disposed off.

5. The Company has filed an appeal before the Income Tax Appellate Authority on April 7, 2004 challenging the order passed by the Deputy Commissioner (Appeals) of Income Tax and Commissioner of Income Tax (Appeals) dated January 20, 2004 for the assessment year 2000-2001. The brief facts of the matter are that the Company had taken a loan of Rs. 600.00 million from Industrial Development Bank of India. Out of the said amount of Rs. 600.00 million the Company deposited a sum of approximately Rs. 56.76 million in one deposit and approximately Rs. 210.00 million in a fixed deposit. On these deposits the Company earned interest income. The Company claimed to set off interest of a sum of approximately Rs. 4.84 million paid/payable to the Industrial Development Bank of India against the interest income received from fixed deposits and other deposits. The Assessing Officer by its order dated March 31, 2003 disallowed the claim of the Company to set off interest received from deposits against the interest payable to Industrial Development Bank of India. The Company challenged the order of the Assessing Officer before the Deputy Commissioner (Appeals) of Income Tax and Commissioner of Income Tax (Appeals). However, Commissioner of Income Tax (Appeals) rejected the plea of the Company. Thereafter, the Company filed an appeal before the Income Tax Appellate Authority, however, the appeal was dismissed by an order dated October 15, 2007 due to non-appearance of the representatives of the Company in the matter. The Company has now filed a miscellaneous application before the Income Tax Appellate Tribunal praying before the Hon'ble Tribunal to recall its order dated October 15, 2007.

6. The Company filed an appeal before the Commissioner of Income Tax (Appeals) on March 23, 2003 against the assessment order dated March 26, 2002 for the assessment year 1999-2000. The Company claims that the assessing officer had erred in treating the income of Rs. 36,525,000 as income from other sources instead of business income and not allowing netting off of interest income of Rs.1,171,000 against interest payment on funds kept as deposit and other permissible set off of losses. By an order dated July 25, 2003 the Commissioner of Income Tax (Appeals) dismissed the appeal. The Company had filed an appeal before the Income Tax Appellant Tribunal on September 24, 2003 and the same was dismissed in limine by an order dated May 29, 2007 due to non-appearance of the Company. The Company has filed a miscellaneous application under section 254(2) of the Income Tax Act, 1961 before the Income Tax Appellant Tribunal praying that the order dated May 29, 2007 be withdrawn.

Notice issued to the Company

1. A show cause notice dated January 11, 2008 has been issued to the Company by the Assistant Commissioner, Service Tax Division, Bhavnagar. It is claimed that the Company has paid service tax at the rate of 10% instead of 12% on the invoices/bills issued after April 18, 2006 upto April 24, 2006. The Company has been called upon to show cause as to why the service tax and education cess aggregating to Rs. 394,375 alongwith interest on the amount due from due date of payment to the actual date of payment at the appropriate rate should not be recovered from it under Section 73(1) of the Finance Act, 1994. The Company is also called upon to show cause as to why penalty should not be imposed for failure to pay service tax within the prescribed period. The Company has filed its reply to the show cause notice on February 14, 2008.

2. A legal notice dated April 22, 2008 has been issued by M/s. RITES Limited to the Company calling upon the Company to clear payments of Rs. 3,500,000 plus service plus interest at 24% per annum from the date they have become due plus legal notice charges of Rs. 5,500, within 60 days of receipt of notice. It is alleged that M/s. RITES Limited had raised fees a for reconnaissance survey of 1,700 km LNG pipeline from the Gujarat coast to Gorakpur by letter dated December 7, 1998. M/s. RITES Limited allege that in spite of completion of work in January 2001 and several reminders vide letters dated August 3, 2000, February 28, 2001, April 12, 201, May 23, 2001, May 29, 2001, August 3, 2001 and July 20, 2006 no response was received from the Company. The notice provides that if the Company does not make payment within the stipulated period which legal action will be instituted against the Company. By a letter dated August 22, 2008 RITES Limited has called upon the Company to release outstanding payment for the Natural Gas Pipeline Project – Reconnaissance Survey. By a letter dated September 8, 2008 has requested payment of outstanding dues.

Litigation by the Company

Criminal Proceedings

1. The Company has filed two criminal complaints (Criminal Case No. 421 and 422 of 2006) before Judicial Magistrate, First Class, Rajula against Shiv Construction Company and Sunilbhai R. Patel under section 138 of the Negotiable Instruments Act. The brief facts of the matter are that the Company had entrusted maintenance and repairing work of a four lane road and paving of internal roads of Port to Shiv Contruction Company by contract dated July 2, 2005. The Company had paid an advance of approximately Rs. 3.00 million and the accused had issued three post-dated cheques for an amount of approximately Rs. 1.00 million each as security towards the amount paid by the Company. The contract provided that the advance paid by the Company was against three running bills for the work to be completed and the advance amount was to be adjusted against the same. Shiv Construction Company did not commence work as per the contract and later in spite of requests to proceed with the work, failed to do so. The Company then claimed refund of the advance paid. The Company presented cheque no. 1192709 dated September 15, 2005 and cheque no. 1192710 dated October 15, 2005 which were returned marked "insufficient funds". The Company issued notice to Shiv Construction Company and Mr. Patel on February 15, 2005 and they having failed to make payment the Company filed the criminal complaint. The matter is currently pending.

Civil Proceedings

1. The Company has filed revision application (Application No. 43 of 2004) against the Commissioner of Road Transport, the Assistant Regional Transport Officer and Shri G. R. Patel, motor vehicle inspector or his successor in office before the Revision Authority under the provisions of the Bombay Motor Vehicles Tax Act, 1958 and the Rules made thereunder. The facts in brief are that a crawler crane owned by the Company was damaged and the damaged parts were sent for repair to Mumbai from Pipavav Port. While in transit the damaged parts were detained by the Assistant Regional Transport Officer. The Company preferred an application to the Commissioner of Transport for release of the damaged parts which were being sent to Mumbai for repairs (which was disqualified). The Company challenged the detention of the damaged parts of the crawler crane and filed an application (Special Application No. 13533 of 2003) before the High

Court of Gujarat. Thereafter, a tax demand notice was also served upon the Company by the Assistant Regional Transport Officer raising a demand of approximately Rs. 1.01 million as road tax. The Company agreed to pay the tax demand under protest and the High Court disposed the application and the Company was directed to prefer appeal before the Transport Commissioner. The Company preferred an appeal (No. 122 of 2003) before the Commissioner of Road Transport wherein by order dated March 25, 2004 the Commissioner held that the Company was liable to pay tax from August 1, 1995 or from the date of purchase whichever is later with penalty and interest. In view of the above, the Company filed the revision application challenging the order dated March 25, 2004 passed by the Transport Commissioner in Appeal No. 122 of 2003 and Tax Demand Notice No. 184 dated September 12, 2003. The matter is currently pending.

2. The Company has filed a winding up petition (C. P. No. 42 of 2000) before the High Court of Kerala praying that Amrok Shipping Private Limited be wound up as per the provisions of the Companies Act. The Company in its petition has claimed that Amrok Shipping Private Limited is indebted to the Company in the sum of approximately Rs. 25.56 million together with interest at the rate of 18% per annum till date of payment and has failed to make payment after repeated demands. Amrok Shipping Private Limited had made use of the facilities made available by the Company at Pipavav Port and its ships were called on the port for loading and unloading of cargo. The Company has to recover amounts towards port dues, pilotgae, berth hire, charges for gottward crane, wharfage and storage charges. The Hon'ble High Court has ordered winding up of Amrok Shipping Private Limited and Official Liquidator has taken charge of the assets and effects of the Amrok Shipping Private Limited. The matter is currently pending before the Official Liquidator.

3. The Company has preferred an application (Special Civil Application No. 16188 of 2005) dated August5, 2005 against the State of Gujarat, through its Secretary, Department of Revenue, the Collector, Amreli and GMB. The Company has sought issuance of a writ of mandamus restraining the State of Gujarat, the Collector, Amreli and GMB and their agents and servants from allotting government waste land bearing survey no. 109 part admeasuring approximately 30 acres and situated in the village of Moje Rampura, Taluka Rajula in Amreli District, to any person(s) save and except the Company pending its application for grant of the said land. By an order dated September 23, 2005 the application was dismissed. The Company filed an appeal (Letters Patent Appeal No. 1787 of 2005 in Special Civil Application No. 16188 of 2005) before the High Court of Gujarat against the order dated September 23, 2005 on December 20, 2005. The High Court admitted the appeal by an order dated February 27, 2006 and ordered an interim stay of the operation and implementation of the order dated September 23, 2005 subject to the condition that the Company shall make available to the Collector 30 acres of agricultural land in any area which the Company and GMB consider outside port within 2 months. Thereafter it will be open for the Collector to make allotment of such land. Until the final decision is made on the exchange of land, no construction activities are to be undertaken on the land. The High Court, by an order dated August 1, 2008 modified the order dated February 27, 2008 to the extent that it will be permissible for the Company to construct a road on the land. The matter is currently pending.

Litigation Against Directors

Mr. Luis Miranda

M/s. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2007) in the Insolvency Notice No. 109 of 2007. In the said notice of motion M/s. Sharda Steel Corporation and others, being the judgment debtors, have prayed before the Hon'ble Court that proposed judgment debtors i.e. the Company, Mr. Hans Ole Madsan, Mr. Christian Moller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venketeshwaram be impleaded as judgment debtors in the insolvency notice No. 109/2007. For further details please refer to "Litigation against the Company – Civil Proceedings – Sr. No. 1".

Mr. Christian Moller Laursen

M/s. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2007) in the Insolvency Notice No. 109 of 2007. In the said notice of motion M/s. Sharda Steel Corporation and others, being the judgment debtors, have prayed before the Hon'ble Court that proposed judgment debtors i.e. the Company, Mr. Hans Ole Madsan, Mr. Christian Moller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venketeshwaram be impleaded as judgment debtors in the insolvency notice No. 109/2007. For further details please refer to "Litigation against the Company – Civil Proceedings – Sr. No. 1".

Mr. Dinesh Lal

M/s. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2007) in the Insolvency Notice No. 109 of 2007. In the said notice of motion M/s. Sharda Steel Corporation and others, being the judgment debtors, have prayed before the Hon'ble Court that proposed judgment debtors i.e. the Company, Mr. Hans Ole Madsan, Mr. Christian Moller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venketeshwaram be impleaded as judgment debtors in the insolvency notice No. 109/2007. For further details please refer to "Litigation against the Company – Civil Proceedings – Sr. No. 1".

Mr. Philip Littlejohn

M/s. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2007) in the Insolvency Notice No. 109 of 2007. In the said notice of motion M/s. Sharda Steel Corporation and others, being the judgment debtors, have prayed before the Hon'ble Court that proposed judgment debtors i.e. the Company, Mr. Hans Ole Madsan, Mr. Christian Moller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venketeshwaram be impleaded as judgment debtors in the insolvency notice No. 109/2007. For further details please refer to "Litigation against the Company – Civil Proceedings – Sr. No. 1".

Litigation involving Promoters

APM Terminals B.V.

APM Terminals B.V. is involved in legal disputes. None of such legal disputes (i) relate to the business interests of APM Terminals B.V. in India, other than legal disputes involving the Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on either APM Terminals B.V. or the A.P. Møller - Mærsk Group. None of the legal disputes that APM Terminals B.V.'s subsidiaries are involved in have a material adverse effect on the financial performance of the Company.

APM Terminals Mauritius Holding Limited

APM Terminals Mauritius Holding Limited is not involved in legal disputes that (i) relate to the business interests of APM Terminals Mauritius Holding Limited in India, other than legal disputes involving the Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on either APM Terminals Mauritius Holding Limited or the A.P. Møller - Mærsk Group.

APM Terminals Mauritius Limited

APM Terminals Mauritius Limited is not involved in legal disputes that (i) relate to the business interests of APM Terminals Mauritius Limited in India, other than legal disputes involving the Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on either APM Terminals Mauritius Limited or the A.P. Møller - Mærsk Group.

Litigation involving Promoter Group

A.P. Møller Mærsk A/S

A.P. Møller Mærsk A/S is not involved in legal disputes that (i) relate to the business interests of A.P. Møller Mærsk A/S in India, other than legal disputes involving the Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on either A.P. Møller Mærsk A/S or the A.P. Møller - Mærsk Group, other than as stated below:

A.P. Møller Mærsk A/S is involved in various legal disputes, amongst others – as the Maersk Line container business if a trade name of A.P. Møller Mærsk A/S – there are pending container cases.

None of the legal disputes that A.P. Møller Mærsk A/S is involved in is expected to have a material

Maersk Holding B.V.

Maersk Holding B.V. is involved in legal disputes. None of such legal disputes (i) relate to the business interests of Maersk Holding B.V. in India, other than legal disputes involving the Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on either Maersk Holding B.V. or the A.P. Møller - Mærsk Group. None of the legal disputes that Maersk Holding B.V.'s subsidiaries are involved in have a material adverse effect on the financial performance of the Company.

Gateway Terminals India Private Limited

Litigation against the company

1. Mr. Anuj Pravinchandra Shah has filed a case against Gateway Terminals India Private Limited before the District Court, Thane for recovery of cost of a statue which was stolen from the Watan bunglow rented by Gateway Terminals India Private Limited from Mr. Shah.

2. Mr. R. K. Sinha, Labour Enforcement Officer, has filed a case against Gateway Terminals India Private Limited before the Uran Court, in relation to compliance of the provisions of Payment of Wages Act, 1936 and Maharashtra Payment of Wages Rules, 1963.

Litigation by the company

1. Gateway Terminals India Private Limited has filed writ Petition filed before the High Court at Mumbai against the Ministry of Commerce, Ministry of Customs, Development Commissioner SEEPZ in relation to revocation of Export Oriented Unit status of the company.

2. Gateway Terminals India Private Limited has initiated arbitration proceedings against Jawarharlal Nehru Port Trust in relation to an amount of Rs. 30 million paid as liquidated damages under protest to Jawarharlal Nehru Port Trust under the license agreement to develop container terminal. The arbitration panel has been appointed and the proceedings are yet to commence.

Contingent Liabilities: Rs. 6,507.36 million

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 208 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

Approvals for the Issue

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

General

1. Certificate of incorporation dated August 5, 1992 from the Registrar of Companies, Gujarat.

2. Certificate of commencement of business dated August 5, 1992 from Registrar of Companies, Gujarat.

3. FIPB approval vide letter NO. FC.II.: 226(98/248(98) dated May 25, 1998 amended March 22, 2004 issued by the FIPB Unit Department of Economic Affairs, Ministry of Finance, Government of India allowing for increase in foreign equity participation in the shareholding of the Company from 49% to 100% by A.P. Møller Group/Maersk Sealand, foreign financial institutions such as FIU, New York Life, by way of acquisition of existing equity shares and subscription to new shares.

4. Letter No. FE.CO.FID 2050/10.I.07.02.200(648)/2004-2005 dated September 17, 2004 granting no objection under Regulation 10A(b) of Notification No. FEMA 20/2000-RB dated May 3, 2000, issued by Reserve Bank of India to APM Terminals (4,32,25,000 shares) and IFU (1,13,75,000 shares), New York acquiring 5,46,00,000 equity shares of Rs. 10 each of the Company from SKIL Infrastructure Limited (5,11,27,400 shares) and Grevek Investment & Finance Limited (34,72,600 shares) at price of Rs. 40/- per share. This is subject to the condition that the price approved by Reserve Bank of India shall not necessarily be valid for any future transaction in the shares of the Company.

Business related Approvals

1. Letter No. EP/0720/PIPAVAV dated November 7, 2006 from Coast Guard Headquarters, New Delhi approving the Oil Spill Disaster Contingency Plan of the Port. A condition to be complied with is that the plan is to be periodically validated through simulated exercises and significant changes are to be intimated to headquarters.

2. Letter dated June 8, 1998 from Department of Explosives, Government of India, Nagpur, granting approval for the fire fighting facilities at the jetty.

3. Letter No. P/WC/GJ/15/364(P143282) dated January 5, 2006 from Joint Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Government of India granting renewal of license for import of petroleum and explosives. The approval is valid till December 31, 2008.

4. Letter No. G.22(47)162 dated August 1, 2007 from Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Government of India, granting a No Objection Certificate for removal of LPG pipelines, unloading arm and fire fighting pipelines and integration of the same with the new LPG berth. The certificate is subject to the condition that the work be carried out during day light hours by responsible persons.

5. Letter No. No. G.22(47)162 dated March 13, 2008 from Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Government of India granting approval for laying LPG pipeline. The existing pipeline should be gas free before cutting. After completion of laying of pipeline, the pipeline should be tested and the report should be submitted to get permission for commission of pipelines.

6. Certificate of Importer-Exporter Code dated April 1, 1993 from Joint Director of Foreign Trade, Ahemdabad issuing IEC No. 089102016.

7. Registration cum Membership Certificate, dated April 27, from Federation of Indian Export Organisation, Government of India issuing RCMC no. 9777/2006-2007. The certificate is valid till March 31, 2009.

8. License No. DSG/SOC/029 dated June 29, 2004 issued by Directorate General of Shipping, Ministry of Shipping, Government of India certifying compliance with the provisions of chapter XI-2 and part A of the International Code for the Security of Ships and of Port Facilities (ISPS Code) and verifying that the port facility operates in accordance with the approved port facility plan. The plan has been approved for bulk carrier, gas carrier and cargo ships other than passenger ships, oil tanker, passenger high-speed craft, cargo high-speed craft, chemical tanker and mobile offshore drilling units. The license is valid till May 21, 2009.

9. Letter dated August 6, 2008 reference no. 1-NSPC (4)/2003-Vol-1 from Nautical Surveyor-cum-Deputy Director General of Shipping (Tech), Directorate General of Shipping, Ministry of Shipping, Road Transport and Highways granting extension of Navigational Safety in Ports Committee upto October 31, 2008.

10. Notification No. GMB/T/12(25)/37-38/2005/8 dated February 10, 2005 issued by the Gujarat Maritime Board detailing the concessional and full royalty rates dependant upon the type of cargo.

Tax Related Approvals

1. Certificate from Joint C.I.T (Systems) Ahmedabad allotting PAN AAACG6975B to the Company.

2. Tin No. 24131300176 granted on June 29, 2002 by the Sales Tax Department, Amreli.

3. Letter dated July 16, 2007 issued by the Office of the Assistant Commissioner of Service Tax, Bhavnagar allocating Service Tax registration No. AAACG6975BST001 to the Company.

4. Letter dated July 16, 2007 issued by the Office of Assistant Commissioner of Service Tax, Bhavnagar granting certificate of registration under the Finance Act, 1994 to Gujarat Pipavav Port Limited, Uchhaiya, Rajula, Amreli. The taxable services include port services, transport of goods by road, consulting engineer, erection, commissioning and installation, management consultants, renting of immovable property services.

5. Letter dated July 20, 2005 issued by the Office of Assistant Commissioner of Service Tax, Superintendent, Division III, Service Tax, Mumbai granting registration No. ST/MUM/Div III/CENVAT/131/05 registering the Company with the Central Excise Department for payment of service tax on services of input service distributor.

Environment Related Approvals

1. Letter No. No. 10-7/2007-IA-III dated May 17, 2007 from Ministry of Environment and Forests (IA-III Division), Government of India, granting Environmental Clearance for the proposed expansion and modernisation of the Port by the Company. This clearance is subject to the general and specific conditions mentioned which include, *inter alia,*:

    - That green belt development will be taken up in the port area;

- A specific oil spill response plan shall be prepared and submitted to the state authority with a copy to Ministry of Environment and Forest, before commissioning the project;

- The stacking height of sulphur shall not in any case exceed five metres;

- Adequate fire-fighting facilities as per the 'national fire protection code' shall be provided at the Port and in the buildings;

- All dredging operations should be restricted to bare minimum extent. Further the dredge material should be used for reclamation instead of dumping off-shore; and

- The tugs should be equipped with fire-fighting facilities and booms to control oil spill in the port area.

2. Reference No. ENV-10-2006-49-P dated June 18, 2007 issued by the Forest and Environment Department, Government of Gujarat lays down certain conditions required to be satisfied by the Company with reference to the environmental clearance granted to the Project of the Company by the Ministry of Environment and Forest by a letter dated April 16, 2007. Inaddition to the conditions stipulated by the Forest and Environment Department vide letter dated January 19, 2007 the Company is required, *inter alia,* to adhere to the provisions of the CRZ Notification of 1991, not undertake reclaimation in the margrove areas along 50 metres buffer zone and preserve the existing mangroves.

3. Letter No. PC/CCA-AMR-13(3)/26014, dated 05/08/2006 from Gujarat Pollution Control Board granting a no objection certificate with regard to obtaining CRZ clearance for relocation of the existing LPG jetty by extending the said LPG jetty in a manner that the LPG jetty is re-located by approximately 235 meters and using this intermediate space for extension of container jetty 350 meters. This is valid for a period of five years.

4. Letter No. PC/NOC/AMR-63/16450 dated May 11, 1995 issued by Gujarat Pollution Control Board, Gandhinagar granting no objection to Company for setting up a port on west coast of India for construction of port and related facility for movement, handling and storage of cargo. This clearance is subject to the general and specific conditions mentioned which include, inter alia, that all construction design/drawings relating to various project activities should have the approval of the concerned state government departments/agencies.

5. Letter No. PC/NOC/AMR-63/34061 dated November 13, 2002 from Gujarat Pollution Control Board, Gandhinagar, granting a no objection certificate to the Company for setting up three 3 D.G. sets having a capacity of generating 1,500,000KWH per month.

6. Letter No. No.J-16011/21/99-IA-III dated June 7, 2000 issued by Ministry of Environment and Forest, Government of India granting environmental clearance for expansion of infrastructure facility at the Port. The clearance covers the construction of Jetty nos. 1, 2, and 3 and 1200 metre long and 12 metre wide approach, LPG/Liquid Jetty and 1500 metre long and 14 metre wide approach bund for pipe rack and roadways, storage warehouses 90 metre x 40 metre and 30 metre x 20 metre and space for open staking of bulk cargo.

7. Letter No. PC/CCA-AMR-13/230 dated January 21, 2006, issued by Gujarat Pollution Control Board, Gandhinagar issuing a no objection certificate to Company for engaging in the activity of capital dredging of one million cubic metres. This certificate is valid for a period of five years. The no objection certificate shall stand automatically cancelled if a bank guarantee of Rs. 10 million is not submitted before March 31, 2006 for proper implementation of the Environment Management Plan. The no objection is subject to a few conditions which include inter alia that the dredging material shall be disposed of in such a way that the CRZ Notification is complied with. Necessary permission from GMB shall be obtained.

8. Letter No. PC/CCA-BHV-13(3)/ 27224 dated September, 2006 issued by Gujarat Pollution Control Board, amending the No Objection Certificate letter bearing No. PC/CCA-AMR-13/230 dated January 2, 2006. The No Objection Certificate shall in pursuance of this, be read as being granted for capital dredging and maintenance dredging of 7 million cubic metres capacity. This certificate is valid for a period of five years. This no objection is subject to the condition that the applicant shall not carry out any further dredging activities without the clearance certificate from the Ministry of Environment and Forest, New Delhi. The other conditions mentioned in the amended order shall remain effective.

9. Consent Order No. 7209 dated January 2, 2006 issued by Gujarat Pollution Control Board for use of outlet for the discharge of trade effluent and emission due to operation of industrial plant for the manufacture of facility for the movement, handling and storage of cargo of 1.9 million ton. The consent is valid upto March 31, 2006. Further, by letter dated July 17, 2008 issued by Gujarat Pollution Control Board the validity period mentioned in Consent Order No. 7209 has been extended upto August 6, 2009.

Other Approvals

1. Letter No. GS011409 dated February 10, 2005 granting registration certificate of establishment under the Bombay Shops and Establishments Act, 1948. This is valid until December 31, 2008.

2. Letter issued by the Office of Regional Provident Fund Commissioner, Mumbai dated February 9, 2001 issuing Code No. 45059 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Scheme framed thereunder to the branch/head office of the Company situated at Pipavav House, 209 Banks T Cross lane, SBS Road, Mumbai 400 023.

3. Letter dated July 5, 1996 issued by the Regional Provident Fund Commissioner, Ahmedabad issuing code no. GJ/25936 under the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and the Scheme framed thereunder.

4. Renewal Card dated March 27, 2008 issued by the Ministry of Communications and Information Technology renewing License No. EOT-102/1-9, dated July 4, 2007 from Ministry of Communications and Information Technology upto June 30, 2009.

5. Renewal Card dated March 27, 2008 issued by the Ministry of Communications and Information Technology renewing License No. P-3537/1-9 dated March 30, 2007 from Ministry of Communications and Information Technology upto March 31, 2009.

6. Renewal Card dated March 27, 2008 issued by the Ministry of Communications and Information Technology renewing License No. P-3538/1-15 dated March 30, 2007 from Ministry of Communications and Information Technology upto March 31, 2009.

7. Renewal Card dated March 27, 2008 issued by the Ministry of Communications and Information Technology renewing License No. FP-33/1-98 upto March 31, 2009.

8. Letter No. COM:S:13108:35 dated January 1, 2004 issued by Gujarat Electricity Board, Vadodara granting provision for meeting the additional requirement of power and raising the contract demand from 300 KVA to 5000 KVA at 220 KV to be met from the Board's 220 KV Savarkundla sub-station by tapping L & T feeder for existing unit at Pipavav. This approval is subject to the Company entering into an agreement with the Board for supply of power. This supply shall be on a contingent basis. The company is required to produce a fresh No Objection Certificate for additional load from the Gujarat Pollution Control Board. Another condition to the supply of power is that the Company can utilise the power received from the Board only with the compact area of the factory premises not intervened by any public road or private land belonging to third party. The Company is also required to install and maintain an oil circuit breaker at the receiving end for receiving HT supply as the demand is more than 500 KVA.

9. License No. 0330018022/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on November 5, 2007 for import of items at a concessional rate by the Company. The license is valid upto November 4, 2010. The export obligation of the Company under the license is Rs. 2,829,713,104.

10. License No. 0330016909/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on July 7, 2007 for import of items at a concessional rate by the Company. The license is valid upto July 26, 2010. The export obligation of the Company under the license is Rs. 29,534,032.

11. License No. 0330016042/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on May 14, 2007 for import of items at a concessional rate by the Company. The license is valid upto May 13, 2010. The export obligation of the Company under the license is Rs. 107,700,864.

12. License No. 0330013882/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on November 9, 2006 for import of items at a concessional rate by the Company. The license is valid upto November 8, 2009. The export obligation of the Company under the license is Rs. 13,202,990.

13. License No. 0330013486/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on October 5, 2006 for import of items at a concessional rate by the Company. The license is valid upto October 4, 2009. The export obligation of the Company under the license is Rs. 44,860,105.

14. License No. 0330012642/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on July 20, 2006 for import of items at a concessional rate by the Company. The license is valid upto July 19, 2009. The export obligation of the Company under the license is Rs. 1,558,817,209.

Customs Related Approvals

1. Letter No. VIII/48-74/Cus(T)/07-08 dated January 30, 2008 issued by Commissioner of Customs, Jamnagar appointing the Company as the custodian of the area of 11085.84 sq. mtrs. of the partially completed the Jetty No. 4 at Gujarat Port Pipavav Limited. The appointment is for a period of 5 years. This appointment is subject to certain conditions inter alia that the conditions Customs (Preventive), Jamnagar shall have right to terminate the appointment at any time after assigning specific reasons and giving an opportunity for the Custodian to explain his case. Further the custodian is required to comply with the provisions of Section 45(2) of the Customs Act 1962 and Rules and Regulations framed there under. If the goods are lost or pilfered while in the custody of the custodian, they shall be liable to pay duty on such goods.

2. Letter No. VIII/48-210/CUS(T)/04-05 dated December 21, 2004 from Commissioner of Customs, appointing the Company as custodian of 26.25 acres (Jetty no. 1,2,3) of land behind Jetty area at Pipavav port subject to the conditions mentioned in the notification. The appointment is for a period of 5 years. The Commissioner of Customs shall have right to terminate the appointment at any time after assigning specific reasons and giving an opportunity for the Custodian to explain his case. Other conditions include inter alai that the custodian is required to comply with the provisions of Section 45(2) of the Customs Act 1962 and Rules and Regulations framed there under. If the goods are lost or pilfered while in the custody of the custodian, they shall be liable to pay duty on such goods.

3. Letter No. VIII/48-233/CUS(T)/2001 dated April 19, 2002 from Commissioner of Customs, Ahmedabad, appointing the Company as custodian of customs area of 39.29 acres behind the Port godown at Pipavav Port subject to the conditions mentioned in the notifications. The appointment is initially valid for 5 years subject to the satisfaction of Commissioner of Customs. The Commissioner of Customs shall have right to terminate the appointment at any time after assigning specific reasons and giving an opportunity for the Custodian to explain his case. Other conditions include, *inter alia*, that the custodian is required to comply with the provisions of Section 45(2) of the Customs Act 1962 and Rules and Regulations framed there under.

4. Letter No. VIII/48-74/Cus(T)/07-08 dated August 2, 2008 issued by Commissioner of Customs, Jamnagar appointing the Company as the custodian of the Jetty No. 4 at Gujarat Port Pipavav Limited. The appointment is for a period of 5 years. This appointment is subject to certain conditions inter alia that the Customs (Preventive), Jamnagar shall have right to terminate the appointment at any time after assigning specific reasons and giving an opportunity for the Custodian to explain his case. Other conditions include, *inter alia,* that the custodian is required to comply with the provisions of Section 45(2) of the Customs Act 1962 and Rules and Regulations framed there under. Further if the goods are lost or pilfered while in the custody of the custodian, they shall be liable to pay duty on such goods. Notification No. 08/2008-09/CCP/Jamnagar dated August 2, 2008 declaring the area of 16810.84 square metres of 200.35 metres fully completed jetty no. 4 as a landing place under Section 8 (a) of the Customs Act, 1962.

Intellectual Property

1. Registration No. A-77607/2006 for Copyright under the Copyright Act, 1952 dated November 7, 2006 issued by Deputy Registrar of Copyrights, in class and description of work artistic for the work Port of Pipavav.

2. Trademark No. 1136019 dated September 24, 2002 issued by Registrar of Trade Marks in class 16 for the mark of the anchor which is part of the Company logo.

3. Trademark No. 1248233 dated November 7, 2003 issued by Registrar of Trade Marks in class 39 for the name and logo of the Company as appearing on the cover page of this Draft Red Herring Prospectus.

4. Trademark No. 1248234 dated November 11, 2003 issued by Registrar of Trade Marks in class 39 for the name and logo of the Company as appearing on the cover page of this Draft Red Herring Prospectus.

5. Trademark No. 1136016 dated September 24, 2002 issued by Registrar of Trade Marks in class 25 for the mark of the anchor which is part of the Company logo.

6. Trademark No. 113617 dated September 24, 2002 issued by Registrar of Trade Marks in class 25 for the mark of the anchor which is part of the Company logo.

7. C.C. 3163/2002-2003 dated August 14, 2003 issued by the Senior Examiner of Trademarks, Mumbai certifying that no trade mark identical with or deceptively similar to the label "Port Pipavav" has been registered or applied for under the Trade and Merchandise Marks Act, 1958.

8. C.C. 3163/2002-2003 dated August 14, 2003 issued by the Senior Examiner of Trademarks certifying that no trade mark identical with or deceptively similar to the label "Port Pipavav" has been registered or applied for under the Trade and Merchandise marks Act, 1958.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated May 5, 2008.

The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of our Company held on August 18, 2008.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoter Group (other than as disclosed in this Draft Red Herring Prospectus), the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI

Our Company, our Directors, our Promoters, the Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been declared as wilful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.2 of the SEBI Guidelines, which states as follows:

"*2.2.2 An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:*

(a) (i) The issue is made through the book-building process, with at least 50% of the issue size being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.

OR

(a)(ii) The "project" has at least 15% participation by Financial Institutions/ Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded

AND

(b) (i) The minimum post-issue face value capital of the company shall be Rs. 10 crores.

OR

(b) (ii) There shall be a compulsory market-making for at least 2 years from the date of listing of the shares , subject to the following:

(a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;

(b) Market makers undertake to ensure that the bid-ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;

(c) The inventory of the market makers on each of such stock exchanges, as of the date of allotment of securities, shall be at least 5% of the proposed issue of the company.)"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are therefore required to meet both the conditions detailed in clause 2.2.2(a) and clause 2.2.2(b) of the SEBI Guidelines.

- We are complying with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 60% of the Net Issue are proposed to be allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-issue face value capital of the Company shall be Rs. [●] million which is more than the minimum requirement of Rs. 10 crore (Rs. 100 million).

Hence, we are eligible for the Issue under Clause 2.2.2 of the SEBI Guidelines.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allotees to whom the Equity Shares will be allotted will be not less than 1,000.

Further, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2 million Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;

- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and

- The Issue is made through the Book Building method with allocation of at least 60% of the Net Issue size to QIBs as specified by SEBI.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"WE, THE UNDER NOTED LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE 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 MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (a) **THE DRAFT PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (b) **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (c) **THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE**

COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED ATLEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE

8. **WHERE THE REQUIREMENT OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 (SUB-CLAUSE (A), (B), OR (C), AS MAY BE APPLICABLE) ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.**

9. **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.**

10. **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.**

11. **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**

12. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**

13. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT 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."

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under section 63 or section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Draft Red Herring Prospectus with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli in terms of 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli in terms of section 56, section 60 and section 60B of the Companies Act.

Caution - Disclaimer from the Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.pipavav.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLMs and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to the Company, 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 Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Each purchaser acquiring the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Draft Red Herring Prospectus and such other information, as it deems necessary to make an informed investment decision and that:

1. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from the Company or an affiliate thereof in the initial distribution of the Equity Shares;

4. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the Securities Act, or (iii) in accordance with Rule 144 under the Securities Act (if available), or any transaction exempt from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

5. the purchaser is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act; and

6. the purchaser acknowledges that the Company, the BRLMs and their affiliates, and others will rely

upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each purchaser acquiring the Equity Shares within the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

3. the purchaser (i) is a qualified institutional buyer (as defined in Rule 144A under the Securities Act), (ii) is aware that the sale to it is being made in a transaction not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

4. the purchaser is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

5. if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the Securities Act, or (iii) in accordance with Rule 144 under the Securities Act (if available), or any transaction exempt from the registration requirements of the Securities act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

8. the Company shall not recognise any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions; and

9. the purchaser acknowledges that the Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such

account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State) who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in the Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter and the Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

2. in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at ROC Bhavan, CGO Complex, Opposite Rupal Park Society, Near Ankur Bus Stand, Naranpura, Ahmedabad 380 013.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, and Syndicate Members, SCSBs, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Legal Counsel to Issuer and Legal Counsels to the Underwriters, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, M/s B S R & Associates, Chartered Accountants, have given their written consent to the inclusion of their financial report as well as report in relation to tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

[●], the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

Expert to the Issue

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

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] million. The expenses of this Issue include, among others, underwriting and management fees, SCSBs' commission/ fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

(In Rs. Million)

Activity	Expenses*	Percentage of the Issue Expenses	Percentage of the Issue Size
Lead management, underwriting and selling commission	[●]	[●]	[●]
SCSBs' commission	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Others (Monitoring agency fees, Registrar's fee, legal fee, listing fee, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalisation of issue price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Members will be as per the engagement letter dated [●] with the BRLMs, issued by our Company, a copy of which is available for inspection at our registered office.

Fees Payable to the SCSB

The total fees payable to the SCSB will be as per the [●], [a copy of which is available for inspection at our registered office.] for the services rendered in uploading and processing the ASBA.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MoU between our Company and the Registrar to the Issue dated [●].

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 them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO Grading

This Issue has been graded by [●] and has been assigned a grade of [●] indicating [●], through its letter dated [●]. For details in relation to the Report of the Grading Agency, see "Annexures" beginning on page [●] of this Draft Red Herring Prospectus.

Disclaimer of IPO Grading Agency: [●]

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public Issues

Except as stated in the section titled "Capital Structure" on page 19 of this Draft Red Herring Prospectus, the Company has not made any previous rights issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus. The Company has not made any public issue in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 19 of this Draft Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

No company under the same management (within the meaning of section 370(1)(B) of the Companies Act) as us has made any capital issue during the last three years.

Promise v. performance – Promoter Group

For details in relation to promise v. performance of the promoter group, see "Our Promoters" on page 109 and "Our Promoter Group" on page 114 of this Draft Red Herring Prospectus.

Outstanding Debentures, Bond Issues, or Preference Shares

We have issued 51,780,000 Preference Shares of Rs. 10 each. For further details of the Preference Shares, see section titled "Capital Structure" beginning on page 19 of this Draft Red Herring Prospectus.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue or the SCSBs in case of ASBA Bidders shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Manish Agnihotri, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Gujarat Pipavav Port Limited
Empire Industries Complex
414, Senapati Bapat Marg
Lower Parel

Mumbai
Maharashtra 400 013
Tel: (91 22) 300 11 324
Fax: (9122) 300 11 333
Email: ipo@portofpipavav.com
Website: www.pipavav.com

Change in Auditors

There has been no change in our auditors during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in this Draft Red Herring Prospectus.

Revaluation of Assets

We have not re-valued our assets in the last five years.

Purchase of Property

Other than as disclosed in this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

The Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated May 5, 2008 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act*,* at an EGM of the shareholders of our Company held on August 18, 2008.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, see "Main Provisions of the Articles of Association" on page 311 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of the Price Band is Rs. [•] per Equity Share and at the higher end of the Price Band is Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see "Main Provisions of the Articles of Association" on page 311 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registeres as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad, Gujarat.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/ Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or

- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

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

If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Restriction on transfer of shares

During the term of the Concession Agreement, an acquisition of more than 10% direct or indirect interest in the Company by any person (either alone or together with its associates) shall require and shall be subject to the prior approval of the GMB and the GoG, which approval shall be withheld if, inter alia, such acquisition, is in the opinion of the GMB and the GoG, prejudicial to national interest

Other than as stated above and except as provided in our Articles, there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting. See "Main Provisions of our Articles of Association" on page 311 of this Draft Red Herring Prospectus.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

ISSUE STRUCTURE

Public Issue of [●] Equity Shares of Rs. 10 each of the Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. 5,000 million. The Issue includes a Preferential Allotment to APM Terminals Mauritius Limited of upto [●] Equity Shares of Rs. 10 each and an Employee Reservation Portion of upto [●] Equity Shares of Rs. 10 each aggregating to Rs. 50 million. The Issue less the Preferential Allotment and the Employee Reservation Portion is referred to as the Net Issue. The Issue will constitute [●]% of the post Issue paid up capital of the Company. The Net Issue will constitute [●]% of the post Issue paid up capital of the Company.

The Company is considering a Pre-IPO Placement of Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public

The Issue is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●] Equity Shares.
Percentage of Issue Size available for Allotment/allocation	At least 60% of Net Issue being allocated. However, not less than 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Net Issue or Net Issue available for allocation less allocation to QIB and Retail Individual Bidders	Not less than 30% of Net Issue or Net Issue available for allocation less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●] Equity Shares.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual	Proportionate	Proportionate	Proportionate

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	Funds receiving allocation as per (a) above.			
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares	[•] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares not exceeding the Employee Reservation Portion.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)	Eligible Employee

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	(subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law and National Investment Fund.			
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member. ***	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.#
Margin Amount	At least 10% of Bid Amount in respect of Bids placed by QIB Bidder on Bidding	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.

* Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers (QIBs). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money shall be refunded forthwith.

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

Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue at the discretion of the BRLMs and the Company.

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

*** After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason.

Bidding/Issue Programme

BID/ISSUE OPENS ON	**[●], 2008**
BID/ISSUE CLOSES ON	**[●], 2008**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. On the Bid Closing Date, Bids (excluding ASBA Bidders) shall be accepted only between 10 a.m. and 2 p.m. and uploaded until (i) 3.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

Note: On the last day, the time for acceptance of Bids may be extended from 2.00 pm to 3.00 pm (Indian Standard Time), if permitted by the Stock Exchanges. Upload of Bids by Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000, may be extended by another hour, if permitted by the Stock Exchanges.

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

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in pubic offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs, Syndicate members and the SCSBs will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

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 upto the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid/Issue Opening Date. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely

disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers (QIBs). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money shall be refunded forthwith.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs or their affiliate syndicate members. In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such Bidder in writing. In case of Employee Reservation Portion, Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Eligible Employees	Pink

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);
- FIIs registered with SEBI;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- National Investment Fund; and
- Eligible Employees.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual

Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at our Registered Office and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of [●] Equity Shares of Rs. 10 each). In respect of an FII investing in our equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

(c) **For Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid in this category cannot exceed [●] Equity Shares. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at Cut off Price.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

(d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Gujarati newspaper with wide circulation. This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 date January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed seven working days. The Bid/Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Gujarati newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the Escrow Accounts".

Bids at Different Price Levels and Revision of Bids

(a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price Band and Rs. [●] being the Cap Price. The Bidders can Bid at any price with in the Price Band, in multiples of Re.1 (One).

(b) Our Company, in consultation with the BRLMs reserves the right to revise the Price Band, during the Bid/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

(c) Our Company, in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(d) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion bidding at Cut-Off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price and Eligible Employees in the Employee Reservation Portion, shall receive the refund of the excess amounts from the respective Refund Account.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had Bid at Cut-off Price and Eligible Employees in the Employee Reservation Portion could either (i) revise their Bid or (ii) make additional payment based on the cap of the Revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000 the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to the revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion, who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

(i) During the Bidding/ Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(j) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(k) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

(l) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(m) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(n) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (White colour for Resident Indians, Blue colour for NRIs and FIIs and applying on repatriation basis and Pink colour for Eligible Employees in the Employee Reservation Portion).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) For Eligible Employees in the Employee Reservation Portion, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(f) NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Amount exceeds Rs. 100,000.

(g) Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(h) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(i) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding/ Issue Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of bids typically experienced on the last day of Bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the Bidder
- Investor Category – Individual, Corporate, NRI, FII, Mutual Fund or Eligible Employees, etc.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Bid cum Application Form number.
- Whether Margin Amount, as applicable, has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/ Allotment either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, Bids would not be rejected except for grounds listed on page 285 of this Draft Red Herring Prospectus.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/ or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, our Promoter, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

(j) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the Members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) In case of discrepancy of data between NSE or BSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

GENERAL INSTRUCTIONS

Do’s:

(a) Check if you are eligible to apply;

(b) Read all the instructions carefully and complete the applicable Bid cum Application Form;

(c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(e) Ensure that you have been given a TRS for all your Bid options;

(f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(g) Each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act;

(h) Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects;

(i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don’ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at Cut Off Price (for QIB Bidders, Non-Institutional Bidders and Eligible Employees where Bid Amount exceeds Rs. 100,000);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/ or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs or the Registrar or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/ Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company and the BRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow

Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, and the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/ or on allocation/ Allotment as per the following terms.

1. Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form, by drawing a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 266 of this Draft Red Herring Prospectus. The maximum Bid Amount has to be paid at the time of submission of the Bid cum Application Form based on the highest Bidding option of the Bidder.

2. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount payable on application, any difference between the amount payable by the Bidder for Equity Shares allocated/ allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident QIB Bidders: "[●]"
   - In case of Non-Resident QIB Bidders: "[●]"
   - In case of Resident Bidders: "[●]"
   - In case of Non Resident Bidders: "[●]"
   - In case of Eligible Employees: "[●]"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account

along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable by the Pay-In Date on the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.

7. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/ Allotment to the Bidders.

8. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.

ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories. Bids made by Eligible Employees both under the Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

Permanent Account Number or PAN

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. Applications without this information will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

RIGHT TO REJECT BIDS

In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids by Eligible Employees who Bid, the Company have a right to reject Bids based on technical grounds.

GROUNDS FOR REJECTIONS

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional, QIB Bidders and Eligible Employees where Bid Amount exceeds Rs. 100,000;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;

- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/ money order/ postal order/ cash;
- Signature of sole and/ or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs, or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Bids not duly signed by the sole/ joint Bidders;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Bids or revisions thereof by QIB Bidders, Non Institutional Bidders where the Bid Amount is in excess of Rs. 100,000, uploaded after 5.00 pm on the Bid/Issue Closing Date;

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.

(b) The Company in consultation with the BRLMs shall finalise the Issue Price.

(c) The allocation to QIBs will be at least 60% of the Net Issue and allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and the Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. The Allocation under the Employee Reservation Portion shall be on a proportionate basis, in the manner specified under the SEBI Guidelines and the Red Herring Prospectus, subject to valid Bids being received at or above Issue Price, and is approved by the Designated Stock Exchange.

(d) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue at the discretion of the BRLMs and the Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(e) Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) / Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

(c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

(d) The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs or members of the Syndicate would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price as may be called by the Company for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount payable on application into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/ Allotted Equity Shares and who have already paid the Bid Amount payable on application into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price as may be called by the Company for Allotment to such Bidder.

(d) The Issuance of CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth herein.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to [●], 2008, indicating the number of Equity Shares that may be Allotted to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. It is not necessary that a revised CAN will be sent. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price as may be called by the Company for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allotees shall be within two working days of the date of Allotment.

(b) In accordance with the SEBI Guidelines, Equity Shares will be issued, and Allotment shall be made only in the dematerialised form to the allotees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

(c) Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum [●]. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The Issue less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to [●] Equity Shares (the "Mutual Funds Portion"), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e., after excluding the Mutual Funds Portion). If the valid Bids by Mutual Funds are for less than [●] Equity Shares, the remaining Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to at least 60% of the Net Issue size, i.e. [●] Equity Shares.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

(i) In the event that Mutual Fund Bids exceed 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds, shall be available to all QIB Bidders as set out in (b) below;

(b) In the second instance allocation to all QIBs shall be determined as follows:

(i) The number of Equity Shares available for this category shall be the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

(ii) The subscription level for this category shall be determined based on the overall subscription in the QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

(c) Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made.

(d) The aggregate allocation to QIB shall be at least [●] Equity Shares.

D. For Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at Cut off Price.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees are eligible to apply under Employee Reservation Portion.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 million equity shares
2	Allocation to QIB (60%)	120 million equity shares

Sr. No.	Particulars	Issue details
	Of which:	
	a. Allocation to MF (5%)	6 million equity shares
	b. Balance for all QIBs including MFs	114 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details Of QIB Bids

S.No	Type of QIB bidders#	No. of shares Bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

 # A1-A5: (QIB Bidders other than MFs), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

Number of equity shares in million

Type of QIB Bidders	Shares Bid for	Allocation of 6 million Equity Shares to MF proportionately (see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	**6**	**114**	**51.64**

Please note:

1. The illustration presumes compliance with the requirements specified in this Prospectus in the section titled "Issue Structure" beginning on page 266 of this Draft Red Herring Prospectus.

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated

on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled “Allocation of balance 114 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:

- For QIBs other than Mutual Funds (A1 to A5)= No. of shares Bid for (i.e. in column II) X 114 / 494

- For Mutual Funds (MF1 to MF5)= [(No. of shares Bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 114 / 494

- The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be Allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising

Bidders applying for minimum number of Equity Shares.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allocation. Applicants residing at 68 centres where clearing houses are managed by the RBI and other banks, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit & RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of Bid/Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as 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.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid/Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and

- The Company shall pay interest at 15% p.a. for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/ 8/ S/ 79 dated July 31, 1983, as amended by their letter No. F/ 14/ SE/ 85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously;

- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and

- That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board certifies that:

- All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

  The Board of Directors further certifies that:

  (a) the utilisation of monies received under Promoter Contribution and the Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilised; and

  (b) the details of all unutilised monies out of the funds received under Promoter Contribution and the Reservation Portion shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutilised monies have been invested.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs reserves the right not to proceed with the Issue at anytime, including after the Bid/Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;

b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Guidelines, only Resident Retail Individual Investor can submit their application through ASBA process to Bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 1,00,000. The ASBA Bidders shall Bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

a. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs, [Stock Exchange(s) and BRLMs].

b. ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

c. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, [Stock Exchange(s) and BRLMs].

d. ASBA Bid cum Application Forms should bear the stamp of the Syndicate Member and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.

e. ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

f. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

g. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

h. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

i. ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Guidelines and Red Herring Prospectus.

b. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

c. Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price..

d. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

e. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

f. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("**TRS**"). The TRS shall be furnished to the ASBA Bidder on request.

g. An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

a. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

b. In accordance with the SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

c. In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.

d. Our Company in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

e. ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

f. In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the bank account of the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Guidelines, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

   (i) it has received the ASBA in a physical or electronic form; and

   (ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

b. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.

d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- Depository Participant identification No.; and
- Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

e. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

g. It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.

h. The SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

i. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLMs, the Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

b. The book gets built up at various price levels. This information will be available with the BRLMs and the Stock Exchanges on a regular basis.

c. ASBA Bidders shall not revise their Bids.

d. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the BRLMs, the Company and the Designated Stock Exchange, in this regard shall be final and binding.

e. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to “Issue Procedure” beginning on page no. 271 of this Draft Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation and a regional language newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) As per the SEBI Guidelines, **Equity Shares will be issued, transferred and allotted** only **in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.

b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.

c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).

d. Ensure that your Bid is at the Cut-off Price.

e. Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.

f. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

g. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue.

h. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.

i. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.

j. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.

k. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the

Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.

l. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

m. Ensure that you have mentioned your Permanent Account Number ("**PAN**") allotted under the I.T. Act.

n. Ensure that the name(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.

j) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
b. Do not submit an ASBA Bid if you are applying under any reserved category.

c. Do not revise your Bid.

d. Do not Bid for lower than the minimum Bid size.

e. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

f. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

g. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

h. Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000.

i. Do not submit the GIR number instead of the PAN Number.

j. Do not instruct your respective banksto release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

a. Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.

b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

d. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000.

e. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid

Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications is described in “Issue Procedure- Multiple Bids” on page 284 of this Draft Red Herring Prospectus.

Permanent Account Number

For details, see “Permanent Account Number or PAN” on page 285 of this Draft Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository’s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "Grounds for Rejection" on page 285 of this Draft Red Herring Prospectus, applicationsunder the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;

2. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;

3. Bids at a price other than at the Cut-off Price;

4. Age of first Bidder not given; Bid made by categories of investors other than Resident Retail Individual Investors;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;

6. PAN not stated, or GIR number furnished instead of PAN. See "Issue Procedure - PAN or GIR Number" on page 285 of this Draft Red Herring Prospectus;

7. Bids for number of Equity Shares, which are not in multiples of [•];

8. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;

9. Multiple Bids as defined in this Draft Red Herring Prospectus;

10. In case of Bid under power of attorney, relevant documents are not submitted;

11. ASBA Bids accompanied by stockinvest/money order/postal order/cash;

12. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;

13. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;

14. ASBA Bid cum Application Form does not have the Bidder's depository account details;

15. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;

16. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;

17. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number; and

18. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application

Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number in which the amount equivalent to the Bid amount was blocked. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled "Issue Procedure- Impersonation" on page 308 of the Draft Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section "Issue Procedure- Basis of Allocation" on page 308 of this Draft Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "Issue Procedure- Undertaking by our Company", with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds.

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the manufacturing activities is permitted under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Subscription by foreign investors (NRIs/FIIs)

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and and sold (i) within the United States to "qualified institutional buyers", in reliance on Rule 144A under the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company.

Pursuant to Schedule II of the Companies Act and the DIP Guidelines, the main provisions of the Articles of Association of the Company relating to voting rights, dividends, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or their consolidation/splitting are described below:

The regulations contained in Table 'A' in the First Schedule of the Companies Act, 1956 shall apply to the extent that they are not specifically excluded or modified by these Articles.

Amount of Capital

Article 1 provides that,

The authorised share capital of the Company shall be such amount as is given, in Clause V of the Memorandum of Association.

Article 6 provides that,

Except so far as otherwise provided by the conditions of the issue or by these Presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Power to issue Preference Shares

Article 8 provides that,

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue Preference Shares which are liable to be redeemed in accordance with Section 80 of the Act and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

Buy Back of shares

Article 67 provides that,

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re-enactment(s) thereof.

Reduction of Capital

Article 4 provides that,

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

Sub-division and Consolidation of Share Certificate

Article 5 provides that,

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an Ordinary Resolution from time to time:

(1) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of such shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards Dividend capital or otherwise as compared with the others

(2) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Dematerialisation of securities

Article 65 provides that,

(1) Definitions: For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a Depository.

"*Bye-Laws*" mean bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

"*Depositories Act*" means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a company formed and registered under the Act and which has been granted a certificate of registration under the Securities and Exchange Board of India Act 1992.

"*Member*" means the duly registered holder from time to time of the shares of the company and includes every person whose name is entered as Beneficial Owner in the records of the Depository.

"*Participant*" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

"*Record*" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered Owner*" means a Depository whose name is entered as such in the records of the Company.

"*SEBI*" means the Securities and Exchange Board of India

"*Security*" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in the Depositories Act, 1996.

(2) Company to recognise interest in Dematerialized Securities under the Depositories Act, 1996

Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

(3) Dematerialisation/Re-Materialisation of Securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any

(4) Option to Receive Security Certificate or hold Securities with Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold Securities with a Depository. Where a person opts to hold a Security with the Depository, the Company shall intimate such Depository of the details of allotment of the Security and on receipt of such information; the Depository shall enter in its record, the name of the allottees as the Beneficial Owner of that Security.

(5) Securities in Electronic Form

All securities held by a Depository shall be dematerialised and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(6) Beneficial Owner deemed as Absolute Owner

Except as ordered by the court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register as the holders of any share or whose name appears as the Beneficial Owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at its sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(7) Rights of Depositories and Beneficial Owners

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security on behalf of the Beneficial Owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding Securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a Member. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository

(8) Register and Index of Beneficial Owners

The Company shall cause to be kept a Register and Index of Members with details of shares and Debentures held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a branch register of Members resident in that state or country.

(9) Cancellation of Certificates upon Surrender by Person

Upon receipt of certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the Registered Owner in respect of the said Securities and shall also inform the Depository accordingly.

(10) Service of Documents

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(11) Allotment of Securities

Where the Securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant Securities to the Depository on allotment of such Securities.

(12) Distinctive Number of Securities Held In A Depository

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialised form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(13) Provisions of Articles to Apply to shares Held In Depository

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(14) Depository to Furnish Information

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(15) Option to opt out in respect of any such Security

If a Beneficial Owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(16) Overriding effect of this Article

The provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles of these Presents.

Further Issue of Shares

Article 13 provides that,

(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time

after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

(a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less that thirty (30) days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in Article (b) hereof shall contain a statement of this right.

(d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (b) of sub-clause (1) hereof in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in the general meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the Members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in Article 1.1(c) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company:

(a) To convert such Debentures or loans into shares in the Company; or

(b) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(i) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(ii) In the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central

Government in this behalf, has also been approved by a special resolution passed by the Company in the general meeting before the issue of the Debentures or raising of the loans.

Shares at the Disposal of the Directors

Article 2 provides that,

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares.

Provided that an option or right to call on shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

Allotment on application to be acceptance of shares

Article 14 provides that,

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these Articles, be a Member.

Every Member entitled to a certificate for his shares

Article 19 provides that,

(1) Every Member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-divisions of the shares of the Company.

(2) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(3) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person, to whom it has been issued, indicating date of issue.

(4) Joint ownership of shares

Any two or more joint allottees of shares shall be treated as a single Member for the purposes of this Article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

(5) Director to sign Share Certificates

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials use for the purpose.

(6) Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act. or rules applicable in this behalf.

The provision of these Articles shall mutatis mutandis apply to Debentures of the Company.

(7) Renewal of Share Certificate

When a new share certificate has been issued in pursuance of clause (6) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No………….. sub-divided / replaced on consolidation of shares.

(8) When a new certificate has been issued in pursuance of clause (6) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of Articles 0, 0, 0 and 0 of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it ,the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

(9) All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

Board to have right to make calls on shares

Article 28 provides that,

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all monies unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and the Member(s) and place(s) appointed by the Board. A call may be made payable by instalments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the general meeting.

Call when made

Article 30 provides that,

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorising such call was passed at the meeting of the Board.

Calls to carry Interest

Article 33 provides that,

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate of interest as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

Payment in anticipation of call may carry interest

Article 37 provides that,

(1) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced.

(2) The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.

(3) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

Company's lien on shares /Debentures

Article 25 provides that,

The Company shall have a first and paramount lien upon all the shares/Debentures (other than fully paid up shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/Debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all Dividends and bonuses from time to time declared in respect of such shares/Debentures. Unless otherwise agreed, the registration of a transfer of shares/Debentures shall operate as a waiver of the Company's lien if any, on such shares/Debentures. The Directors may at any time declare any shares/Debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company’s lien shall be restricted to monies called or payable at a fixed time in respect of such shares.

Instrument of Transfer

Article 51 provides that,

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

Directors may refuse to register transfer

Article 54 provides that,

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or Debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Nomination Facility

Article 66 provides that,

(1) Every holder of shares, or holder of Debentures may at any time, nominate, in the prescribed manner a person to whom his shares in or Debentures shall rest in the event of his death.

(2) Where the shares or Debentures are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or Debentures shall rest in the event of death of all the joint holders.

(3) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares or Debentures where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares or Debentures, the nominee shall, on the death of the shareholder or Debenture holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or Debentures or as the case may be all the joint holders in relation to such shares or Debenture to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(4) Where the nominee is a minor it shall be lawful for the holder of shares or Debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or Debentures in the event of his death during the minority of the nominee.

(5) Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(a) To be registered himself as holder of the shares or Debentures as the case may be, or

(b) To make such transfer of the share or Debenture as the case may be, as the deceased shareholder or Debenture holder, as the case may be could have made.

(6) If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or Debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a death certificate of the deceased shareholder or Debenture holder as the case may be.

(7) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or Debentures shall be applicable to any such notice or transfer as

aforesaid as if the death of the Member had not occurred and the notice or transfer where a transfer is signed by that shareholder or Debenture holder, as the case may be.

(8) A person being a nominee, becoming entitled to a share or Debenture by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the share or Debenture, except that he shall not, before being registered as a Member in respect of his share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

(9) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or Debenture and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payments of all Dividends, bonus, or other monies payable in respect of the share or Debenture, until the requirements of the notice have been complied with.

(10) A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

No fee on Transfer or Transmission

Article 63 provides that,

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Concession Agreement

Promoter of the Company

Article 69 provides that,

The Members acknowledge and confirm that, pursuant to the consent of the GoG and the GMB, the "Key Promoter" and "Lead Promoter" under the Concession Agreement (each as defined in the Concession Agreement) have been amalgamated and, that the amalgamated role has been transferred to the A.P. Møller-Mærsk Group pursuant to the supplemental agreement dated June 2, 2006 to the Concession Agreement dated September 30, 1998.

Management by the Key Promoter and Lead Promoter

Article 70 provides that,

The Members undertake that the day-to-day management of the port of Pipavav shall be undertaken by the Key Promoter and Lead Promoter pursuant to the terms of the Concession Agreement with Gujarat Maritime Board. For the purposes of this Article 'Key Promoter and Lead Promoter' means APMT Mauritius or such other entities that are a part of the A.P. Møller-Mærsk Group and are disclosed as promoters in the periodic filings by the Company with the stock exchanges.

Restriction on Share Transfer under Concession Agreement

Article 71 provides that,

The Members acknowledge that the Concession Agreement requires that during the term of the Concession Agreement, an acquisition of more than 10% direct or indirect interest in the Company by any person (either alone or together with its associates) shall require and shall be subject to the prior approval of the GMB and the GoG, which approval shall be withheld if, inter alia, such acquisition, is in the opinion of the GMB and the GoG, prejudicial to national interest.

Rights to convert shares into stock and vice-versa

Article 76 provides that,

The Company in the general meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

Rights of stock holders

Article 77 provides that,

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the Dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

Annual General Meetings

Article 78 provides that,

The Company shall, in addition to any other meetings, hold a general meeting which shall be called its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

Extraordinary General Meetings

Article 79 provides that,

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

Quorum for General Meeting

Article 86 provides that,

Five Members or such other number of Members as the law for the time being in force prescribes, who shall be entitled to be personally present, shall be quorum for a General Meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the meeting.

Chairman of General Meeting

Article 88 provides that,

The chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there is no such chairman or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the vice-chairman, if any, shall be entitled to take the chair. If the vice-chairman is also not present or is unwilling to take the chair, the Directors present shall elect one of them as chairman and if no Director be present or if the Directors present decline to take the chair, then the Members present shall elect someone of their number to be the chairman. If a poll is demanded for the election of the chairman, it shall be taken forthwith in accordance with the provisions of the Act and the chairman elected on show of hands shall exercise all the powers of the chairman under the said provision. If some other person is elected chairman as a result of the poll, he shall be the chairman for the rest of the meeting.

Voting at Meeting

Article 91 provides that,

At any general meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Demand of Poll

Article 92 provides that,

Before, or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made by any Member or Members present in person, or by proxy and holding shares in the Company which confer a power to vote on the resolution, being not less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees (Rs 50,000) has been paid up. The demand for a poll may be withdrawn at any time by the person or persons making the demand.

Voting by joint-holders

Article 99 provides that,

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

Instrument of proxy

Article 102 provides that,

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if appointed by a corporation either under its common seal or under the hand of its attorney duly authorised in writing. Any person whether or not he is a Member may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed must be deposited at the Office not less than forty eight (48) hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Article 103 provides that,

The form of proxy shall be two (2) way proxies as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

Validity of proxy

Article 104 provides that,

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Number of Directors

Article 106 provides that,

Unless otherwise determined by general meeting, the number of Directors shall not be less than three (3) and not more than twelve (12), including all kinds of Directors.

Alternate Directors

Article 110 provides that,

The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three (3) months from the state in which the meetings of the Board are ordinarily held. An alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of the retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

Additional Directors

Article 109 provides that,

The Board of Directors shall have power at any time and from time to time, to appoint one or more persons as additional directors ("**Additional Directors**") provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An Additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting. The number of Additional Directors appointed under this Article shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

Remuneration of Directors

Article 111 provides that,

(1) Subject to the provisions of the Act, a Director who is either in the full time employment of the Company or a Managing Director may be paid remuneration as provided in Sections 198, 309, 310 and 311 of the Act and Schedule XIII of the Act, either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the permanent employment of the Company nor a Managing Director, may be paid remuneration as provided in Sections 198, 309, 310 and 311 of the Act and Schedule XIII of the Act either

(a) by way of a monthly, quarterly or annual payment with the approval of the Central Government; or

(b) by way of commission of the Company approved by a Special Resolution authorising such payment.

(3) Director may receive remuneration by way of a fee for each meeting of the Board or a committee thereof attended by him, as prescribed by the Central Government.

Vacation of office of Director

Article 118 provides that,

(1) The office of a Director shall be deemed to have been vacated if:

(a) he is found to be of unsound mind by a court of competent jurisdiction; or

(b) he applies to be adjudged an insolvent; or

(c) he is adjudged an insolvent; or

(d) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six (6) months; or

(e) he fails to pay any call in respect of shares held by him, whether alone or jointly within six (6) months from the last date fixed for the payment of the call unless the Central Government, by a notification in the official Gazette, remove the disqualification incurred by such failure; or

(f) he absents himself from three (3) consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three (3) months, whichever is longer, without obtaining leave of absence from the Board; or

(g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or

(h) he being in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or

(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or

(j) if, by notice in writing to the Company, he resigns his office; or

(k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

(2) Notwithstanding anything contained in (c), (d) and (i) above, the disqualification referred to in these Articles shall not take effect:

(a) for thirty (30) days from the date of the adjudication sentence or order;

(b) where any appeal or petition is preferred within thirty (30) days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven (7) days from the date on which such appeal or petition is disposed of; or

(c) where within the seven (7) days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

Disclosure of Interests by Director

Article 120 provides that,

(1) Every Director who is any way, whether directly or indirectly, concerned, interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors in the manner provided in Section 299(2) of the Act.

(2) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under this Article shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he became so concerned of interested.

(c) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) For the purposes of this Article a general notice given to the Board by a Director to the effect that he is a director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(4) Any such general notice shall expire in the financial year in which it is given but may be renewed for further period of one (1) financial year at a time by a fresh notice given in which it would otherwise expire.

(5) No such general notice and renewal thereof, shall be of effect unless either, it is given at a meeting of the Board or the Directors concerned take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(6) Nothing in these Articles shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Director(s) together holds or hold not more than two percent (2%) of the paid up share capital in the other company.

Delegation of Powers

Article 137 provides that,

(1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(2) The Board of Directors shall establish a Conflict Committee which shall comprise of three (3) Directors, the majority of such Directors or at least its chairman being independent, to deal with matters relating to related parties (as per the applicable accounting standards followed by the Company) and those specifically referring to:

(i) Tariffs and pricing; and

(ii) Contracts, agreements or disputes;

to ensure that the best interests of the Company are protected.

(3) The Conflict Committee shall conduct all business subject to and in accordance with the terms of reference determined by the Board through its resolutions from time to time.

(4) All decisions of the Conflict Committee shall be reported to the Board of Directors within fourteen (14) days of such decision being made.

(5) Any other committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

Nominee Directors

Article 144 provides that,

(1) Nominee Directors of financial institutions

(a) Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to any finance corporation or credit corporation or to any other finance company or body out of any loans granted by them to the Company or so long as any finance corporation or credit corporation or any other finance company or body (each of which finance corporation or credit corporation or any other finance company or body is hereinafter in this Articles referred to as "**the Corporation**") holds or continues to hold shares or Debentures or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, and if the loan or other agreement with the Corporation so provides, the Corporation may have a right to appoint from time to time any person or persons as a Director or Directors whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as Nominee Directors(s) and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors shall have no power to remove from office any Nominee Director(s). At the option of the Corporation, such Nominee Director(s) may not be required to hold any qualification shares in the Company. Also at the option of the Corporation, such Nominee Director(s) may not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director.

(c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall *ipso facto* vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold shares or Debentures or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

(d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the meetings of the committee of which the Nominee Director(s) are member(s) as well as minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(e) The Company shall pay to the Nominee Director(s) sitting fees and expenses to which the other Directors are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director(s) in connection with their appointment shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director(s).

(f) Provided that the sitting fees, in relation to such Nominee Director(s) shall also accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation.

(2) Nominee Director of GMB

During the currency of the Concession Agreement, the Gujarat Maritime Board shall also have a right to appoint from time to time one (1) Director on the Board (which Director is hereinafter referred to as the "**GMB Director**").

(3) Nominee Directors of certain Members

(a) APMT Mauritius shall, so long as it continues to hold shares in the Company, have a right to appoint from time to time any person or persons, not exceeding four (4) in number, as Director or Directors wholetime or non-wholetime on the Board (which Director(s) is/are hereinafter referred to as the "**APMT Mauritius Nominee Directors**") and to remove from such office any person or persons so appointed and to appoint any person or persons in his/their place(s).

(b) IDFC Private Equity Group shall, so long as it continues to hold at least 22,399,419 Shares, have a right to appoint from time to time one (1) Director (which Director is hereinafter referred to as the "**Investor Nominee Director**") and to remove from office the Investor Nominee Director and to appoint any person in his place. The Investor Nominee Director shall not be liable to retire by rotation as provided for in Article 121.

In the event IDFC Private Equity Group's holding falls below 22,399,419 Shares, it will cease to have the right to appoint and remove the Investor Nominee Director as aforesaid and the Financial Investor holding the largest number of Shares (the "**Nominating Shareholder**") shall have the right to appoint the Investor Nominee Director. Provided however, that the Financial Investor shall have the right to appoint the Investor Nominee Director as aforesaid only so long as it continues to hold at least 4 per cent of the paid up equity share capital of the Company.

For the purposes of this Article, Financial Investor means each of the following shareholders: (i) Administrator of the Specified Undertakings of the Unit Trust of India and UTI Trust Company Private Limited; (ii) IIF and TIFOI (being funds advised and managed by AMP Capital); (iii) NYLIIF Group; and (iv) IL&FS Trust Company Limited.

In the event that any of IDFC Private Equity Group or the Nominating Shareholder Transfers, acquires or disposes of Shares, then IDFC Private Equity Group or the Nominating Shareholder, as the case may be, shall, within 15 days of such transfer, by notice in writing intimate the Company, the other Financial Investors and IDFC Private Equity Group of such change in its percentage of shareholding in the Company. In the event that the percentage of shareholding of a Nominating Shareholder, falls below that of the other Financial Investor, then its nominee on the Board shall, within fifteen (15) days from the reduction of shareholding of the Nominating Shareholder, vacate his office and the Financial Investor then holding the highest percentage of Shares among the Financial Investors shall be entitled to exercise its right to appoint a Director as aforesaid and the Company and the Directors shall take such steps as are required in this regard.

(4) Appointment of an observer on the Board

The Board of Directors shall be entitled to nominate, appoint, remove and replace from time to time at their sole discretion, any person or persons as observer(s) to attend meetings of the Board of Directors and any committees of the Board of Directors, of the Company in a non-voting, observer capacity and such observer shall be entitled to attend every meeting of the Board and any of its committees.

Appointment of Managing Director/ whole-time Director

Article 149 provides that,

(1) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

(2) The Managing Director shall always be an APMT Mauritius Nominee Director and shall report directly to the Board. APMT Mauritius shall be entitled to remove any such Managing Director and to require the appointment of another APMT Mauritius Nominee Director in place of any such Managing Director so removed.

(3) The Directors may from time to time resolve that there shall be either one or more Managing Directors or whole-time Directors.

(4) In the event of any vacancy arising in the office of a Managing Director or whole-time Director, the vacancy shall be filled by the Board of Directors, subject to the approval of the Members.

(5) If a Managing Director or whole-time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director or whole-time Director (as the case may be).

(6) The Managing Director or whole-time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

Meetings of the Board

Article 131 provides that,

(1) The Board of Directors shall meet at least once in every three (3) calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit; provided that at least four (4) such meetings shall be held in every year.

(2) The Managing Director may at any time summon a meeting of the Board and the Managing Director, or a secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

(3) Resolutions requiring Special Majority of the Board

The following resolutions shall only be effective with the approval of a Special Majority of the Board, unless a resolution of the Members is required pursuant to Indian law, in which case the resolutions shall also require the approval of the Members, in accordance with the Act:

(a) Any variation, amendment or termination to the Concession Agreement (or the lease under the Concession Agreement);

(b) Any variation, amendment or termination to the terms of appointment of the Conflict Committee;

(c) The creation, allotment, division into classes or issue of any shares or the grant or agreement to grant any option over Shares or any uncalled capital of the Company or the issue of any securities that are convertible into Shares;

(d) The increase or reduction of Share Capital of the Company or the consolidation, sub-division, purchase, or cancellation of any share capital or the alteration of any rights pertaining to any share or class of shares in such capital or any other re-organisation of the share capital of the Company;

(e) Creation of subsidiaries; and

(f) The acquisition by the Company of any shares or other interests in any other company or the participation by the Company in any partnership or joint venture outside the ordinary course of business.

For the purposes of this Article, "Special Majority" means the consent of at least three quarters (3/4) of the Directors appointed on the Board present at a duly convened meeting and entitled to vote.

Right to Dividend

Article 158 provides that,

In respect of each financial year, the Company's profits available for distribution in respect of the relevant financial year shall be distributed to the Members by way of Dividends, in proportion to the amount of capital paid up on the shares held by them respectively, subject to requirements under the Act and such reasonable and proper reserves being retained for working capital requirements or other liabilities and the financing needs of the Company as the Board may consider appropriate from time to time having regard to the terms and conditions of the commitment of the Company pursuant to the existing debt arrangements in accordance with the Debt Restructuring Letter.

Declaration of Dividends

Article 159 provides that,

The Company in a general meeting may declare Dividends and may fix the time of payment, but no Dividend shall exceed the amount recommended by the Board, however the Company may declare a smaller Dividend in the general meeting.

Interim Dividends

Article 160 provides that,

The Board may from time to time pay to the Members such interim Dividends as appear to them to be justified by the profits of the Company.

Dividends not to bear interest

Article 171 provides that,

No Dividends shall bear interest against the Company.

Capitalisation of Profits

Article 174 provides that,

(1) The Company in a general meeting, may, on recommendation of the Board resolve:

- (a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
- (b) That such sum be accordingly set free for distribution in the manner specified in Article 174(2) amongst the Members who would have been entitled thereto if distributed by way of Dividend and in the same proportion.

(2) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

- (a) Paying up any amounts for the time being unpaid on shares held by such Members respectively
- (b) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
- (c) Partly in the way specified in Article 172(2)(a) and partly that specified in Article0.

(3) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to Members as fully paid bonus shares.

Power of Directors for declaration of bonus issue

Article 175 provides that,

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and

(b) generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:

(a) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fraction; and also

(b) to authorize any person, on behalf of all the Members entitled thereto, to enter into an agreement with the Company providing for the allotment to such Members, credited as fully paid up, of any further shares or Debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(3) Any agreement made under such authority shall be effective and binding on all such Members.

Where Books of accounts to be kept

Article 177 provides that,

The books of accounts shall be kept at the Office or at such other place in India as the Directors think fit.

Inspection by Members

Article 178 provides that,

No Member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Act.

Listing

Article 199 provides that,

In the event the Company fails to achieve the listing of its shares on or before March 31, 2009, all the rights pursuant to the shareholders agreement dated April 15, 2005 and the amendment to shareholders agreement dated August 3, 2007 (the "**SHA**") which were deleted pursuant to the amendment of these Articles in compliance of the listing requirements shall be restored and these Articles shall be amended accordingly.

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 Draft Red Herring Prospectus) which are or may be deemed material have been entered into or will be entered into by the Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of the Company situated at Pipavav Port, At Post Ucchaiya Via Rajula, District Amreli, Gujarat 365 560, from 10.00 am to 4.00 pm on working days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Engagement Letter dated September 15, 2008 for the appointment of IDFC-SSKI Limited and Kotak Mahindra Capital Company Limited as the BRLMs.

2. Memorandum of Understanding dated September 29, 2008 among the Company and the BRLMs.

3. Memorandum of Understanding dated September 29, 2008 executed by the Company with the Registrar to the Issue.

4. Escrow Agreement dated [●] among the Company, the BRLMs, Escrow Collection Banks and the Registrar to the Issue.

5. Syndicate Agreement dated [●] among the Company, the BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [●] among the Company, the BRLMs and the Syndicate Members.

Material Documents

1. Memorandum and Articles of Association of the Company as amended through the date hereof.

2. Certificate of incorporation dated August 5, 1992.

3. Shareholders' resolutions dated August 18, 2008 in relation to the Issue and other related matters.

4. Resolutions of the Board dated May 5, 2008 authorizing the Issue.

5. Shareholders' Agreement dated September 26, 2008 between the Company, APM Terminal Mauritius Limited, the Administrator of the Specified Undertakings of Unit Trust of India and UTI Trustee Company Private Limited, India Infrastructure Fund LLC, the Infrastructure Fund of India, New York Life International India Fund (Mauritius) LLC, Jacob Ballas Capital India Private Limited IDFC Infrastructure Fund, IDFC Private Equity Fund II and IL&FS Trust Company Limited;

6. Concession Agreement dated September 30, 1998 and a supplementary agreement to the concession agreement dated June 2, 2006 with the Gujarat Maritime Board and the Government of Gujarat;

7. Lease and Possession Agreement dated September 30, 1998 between the Company and the Gujarat Maritime Board;

8. Offshore Support Services Agreement dated April 15, 2005 between the Company and APM Terminals Management B.V.;

9. Shareholders' Agreement dated March 28, 2001 between the Company and the Railway Board of the Ministry of Railways, Government of India;

10. Transportation and Traffic Guarantee Agreement dated January 10, 2003 between the Company, Pipavav Railway Corporation Limited and the Ministry of Railways, Government of India;

11. Non Compete Letter dated March 30, 2005 issued by Nikhil Gandhi, SKIL Infrastructure Limited, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited;

12. Reports of the Auditors, B S R & Associates, Chartered Accountants, prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus and letters from the auditors dated September 10, 2008.

13. Copies of annual reports of the Company for the past five financial years.

14. Consents of the Auditors, B S R & Associates, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

15. Consents of Auditors, Bankers to the Company, the BRLMs, Syndicate Members, Registrar to the Issue, Banker to the Issue, Bankers to the Company, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Auditors, International Legal Counsel to the BRLMs, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

16. Applications dated [●] and [●] for in-principle listing approval to [●] and [●], respectively.

17. In-principle listing approval dated [●] and [●] from [●] and [●] respectively.

18. Agreement among NSDL, the Company and the Registrar to the Issue dated August 8, 2007.

19. Agreement among CDSL, the Company and the Registrar to the Issue dated [●].

20. Due diligence certificate dated September 30, 2008 to SEBI from the BRLMs.

21. SEBI observation letter [●] dated [●] and the Company's in-seriatim reply to the same dated [●].

22. Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of 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

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. Per Jorgensen

Mr. Pravin Laheri, IAS

Mr. Sethurathnam Ravi

Mr. Atanu Chakraborty, IAS

Mr. Luis Miranda

Mr. Christian Moller Laursen

Mr. Jorgen Madsen

Mr. Dinesh Lal

Mr. Philip Littlejohn

Mr. Allan Adriansen
(*Chief Financial Officer)*

Date: September 30, 2008

Place: Mumbai