**DRAFT RED HERRING PROSPECTUS**
Dated June 15, 2018
*(This Draft Red Herring Prospectus will be updated upon filing with the RoC)*
*Please read section 32 of the Companies Act, 2013*
**Book Built Issue**

# AVANA LOGISTEK LIMITED

Our Company was originally incorporated as Shreyas Shipping Services (India) Private Limited on March 17, 1994 at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, and was granted a certificate of incorporation by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Subsequently, the name of our Company was changed to Shreyas Relay Systems Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on December 29, 2004. Further, upon conversion from a private limited company to a public limited company, the name of our Company was changed to Shreyas Relay Systems Limited and a certificate of change of name was granted by the RoC on May 6, 2005. Subsequently, the name of our Company was changed to Avana Logistek Limited and a certificate of incorporation pursuant to change of name was granted by RoC on April 17, 2018. For details pertaining to the changes in our name and the address of our Registered Office, see "*History and Certain Corporate Matters*" beginning on page 159.

**Registered Office**: 4th Floor, Himalayas, Geetmala Building, Near Shah Industrial Estate, Off Deonar Village Road, Govandi (East), Mumbai 400 088; **Tel**: (91 22) 6789 5600; **Fax**: (91 22) 6789 5688
**Corporate Office**: 1st Floor, Himalayas, Geetmala Building, Near Shah Industrial Estate, Off Deonar Village Road, Govandi (East), Mumbai 400 088; **Tel**: (91 22) 6611 0300 **Fax**: (91 22) 6611 0419
**Contact Person**: Namrata Malushte, Company Secretary and Compliance Officer
**Email**: investors.avana@transworld.com; **Website**: www.avanalogistek.com
**Corporate Identity Number**: U61100MH1994PLC077152

**PROMOTERS OF OUR COMPANY: TRANSWORLD HOLDINGS LIMITED, SHREYAS SHIPPING AND LOGISTICS LIMITED, RAMAKRISHNAN SIVASWAMY IYER, GEETA RAMAKRISHNAN, RITESH SIVASWAMY RAMAKRISHNAN AND ANISHA RAMAKRISHNAN**

**PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (THE "EQUITY SHARES") OF AVANA LOGISTEK LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "ISSUE") CONSISTING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,300,000 EQUITY SHARES BY TRANSWORLD HOLDINGS LIMITED AGGREGATING UP TO ₹ [●] MILLION ( THE "SELLING SHAREHOLDER" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDER, THE "OFFERED SHARES") ("OFFER FOR SALE"). THE ISSUE WILL CONSTITUTE [●] % OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 5 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND [●] EDITION OF THE MARATHI DAILY NEWSPAPER [●] (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.**

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**") and other Designated Intermediaries, as applicable.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), the Issue shall be for at least 10% of the post-Issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", the "**QIB Portion**"), provided that our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**''). At least one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders, other than Anchor Investors, shall only participate in the Issue through the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank account which will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Issue through the ASBA Process. For details, see "*Issue Procedure*" beginning on page 376.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Shares is ₹ 5 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers as stated under "*Basis for Issue Price*" beginning on page 92) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 15.

**COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in 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 of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms only statements made or undertaken expressly by the Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and the Offered Shares. The Selling Shareholder assumes no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or its business in this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance under Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 434.

| BOOK RUNNING LEAD MANAGERS | | REGISTRAR TO THE ISSUE |
|---|---|---|
| **ICICI Securities Limited**<br>ICICI Center, H.T. Parekh Marg<br>Churchgate<br>Mumbai 400 020<br>Tel: (91 22) 2288 2460<br>Fax: (91 22) 2282 6580<br>Email: avana.ipo@icicisecurities.com<br>Investor Grievance Email: customercare@icicisecurities.com<br>Website: www.icicisecurities.com<br>Contact Person: Rishi Tiwari/ Suyash Jain<br>SEBI Registration Number: INM000011179 | **Axis Capital Limited**<br>1st floor, Axis House<br>C 2 Wadia International Centre<br>Pandurang Budhkar Marg, Worli<br>Mumbai 400 025<br>Tel: (91 22) 4325 2183<br>Fax: (91 22) 4325 3000<br>Email: avana.ipo@axiscap.in<br>Investor Grievance Email: complaints@axiscap.in<br>Website: www.axiscapital.co.in<br>Contact Person: Mayuri Arya/ Mangesh Ghogle<br>SEBI Registration Number: INM000012029 | **Link Intime India Private Limited**<br>C-101, 1st Floor, 247 Park, LBS Marg,<br>Vikhroli (West)<br>Mumbai 400 083<br>Tel: (91 22) 4918 6200<br>Fax: (91 22) 4918 6195<br>Email: avana.ipo@linkintime.co.in,<br>Investor Grievance Email: avana.ipo@linkintime.co.in<br>Website: www.linkintime.co.in<br>Contact Person: Shanti Gopalkrishnan<br>SEBI Registration Number: INR000004058 |

**BID/ISSUE PROGRAMME**

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

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

** *Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

## TABLE OF CONTENTS

**SECTION I: GENERAL ........ 1**

DEFINITIONS AND ABBREVIATIONS ........ 1
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA ........ 11
FORWARD-LOOKING STATEMENTS ........ 14

**SECTION II: RISK FACTORS ........ 15**

**SECTION III: INTRODCTION ........ 40**

SUMMARY OF INDUSTRY ........ 40
SUMMARY OF OUR BUSINESS ........ 46
SUMMARY OF FINANCIAL INFORMATION ........ 52
THE ISSUE ........ 62
GENERAL INFORMATION ........ 64
CAPITAL STRUCTURE ........ 71
OBJECTS OF THE ISSUE ........ 80
BASIS FOR ISSUE PRICE ........ 92
STATEMENT OF SPECIAL TAX BENEFITS ........ 95

**SECTION IV: ABOUT OUR COMPANY ........ 98**

INDUSTRY OVERVIEW ........ 98
OUR BUSINESS ........ 142
REGULATIONS AND POLICIES ........ 155
HISTORY AND CERTAIN CORPORATE MATTERS ........ 159
OUR SUBSIDIARIES ........ 163
OUR MANAGEMENT ........ 166
OUR PROMOTERS AND PROMOTER GROUP ........ 181
OUR GROUP COMPANIES ........ 188
RELATED PARTY TRANSACTIONS ........ 199
DIVIDEND POLICY ........ 200

**SECTION V: FINANCIAL INFORMATION ........ 201**

FINANCIAL STATEMENTS ........ 201
FINANCIAL INDEBTEDNESS ........ 322
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ........ 324

**SECTION VI: LEGAL AND OTHER INFORMATION ........ 349**

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS ........ 349
GOVERNMENT AND OTHER APPROVALS ........ 355
OTHER REGULATORY AND STATUTORY DISCLOSURES ........ 357

**SECTION VII: ISSUE INFORMATION ........ 370**

TERMS OF THE ISSUE ........ 370
ISSUE STRUCTURE ........ 374
ISSUE PROCEDURE ........ 376
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURTIES ........ 416

**SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION ........ 417**

**SECTION IX: OTHER INFORMATION ........ 434**

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION ........ 434
DECLARATION ........ 436

## SECTION I: GENERAL

## DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Regulations and Policies", "Statement of Special Tax Benefits", "Financial Statements", "Basis For Issue Price", "Other Regulatory and Statutory Disclosures" "Outstanding Litigation and Material Developments", "Main Provisions of the Articles of Association" and " Issue Procedure – Part B" beginning on pages 98, 155, 95, 201, 92, 357, 349, 417 and 385, respectively shall have the meaning ascribed to them in the relevant section.*

### General Terms

| Term | Description |
|---|---|
| "our Company", "the Company", "the Issuer" or "Avana Logistek" | Avana Logistek Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 4th Floor, Himalayas, Geetmala Building, Near Shah Industrial Estate, Off Deonar Village Road, Govandi (East), Mumbai 400 088 |
| "we", "us" or "our" | Unless the context otherwise indicates or implies, refers to our Company |

### Company Related Terms

| Term | Description |
|---|---|
| Articles of Association/AoA | Articles of association of our Company, as amended from time to time |
| Audit Committee | Audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations |
| Avana Global | Avana Global FZCO |
| Avana Global SPA | Share purchase agreement dated March 20, 2017 entered by and amongst Avana Global, Transworld Holdings and our Company |
| Auditors/Statutory Auditors | Statutory auditors of our Company, being M/s Deloitte Haskins & Sells LLP |
| Balaji UK | Balaji Shipping UK Limited |
| Board/Board of Directors | Board of directors of our Company or a duly constituted committee thereof |
| Corporate Office | Corporate office of our Company located at 1st Floor, Himalayas, Geetmala Building, Near Shah Industrial Estate, Off Deonar Village Road, Govandi (East), Mumbai 400 088 |
| Corporate Social Responsibility Committee | Corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 |
| CRISIL | CRISIL Limited |
| CRISIL Report | Report titled "Market Assessment of India's Logistics Industry with Focus on Integrated Container Logistics" dated May 2018, issued by CRISIL Limited |
| Director(s) | Director(s) of our Company |
| ESOP Scheme 2018 | Avana Logistek Limited Employee Stock Option Plan 2018 |
| Equity Shares | Equity shares of our Company of face value of ₹ 5 each |
| Group Companies | Companies which are covered under the applicable accounting standards and also other companies as considered material by our Board, as identified in *"Our Group Companies"* beginning on page 188 |
| Key Management Personnel/KMP | Key management personnel of our Company as disclosed in "*Our Management- Key Management Personnel*" beginning on page 179 |
| Memorandum of Association/ MoA | Memorandum of Association of our Company, as amended from time to time |

| Term | Description |
|---|---|
| Nomination and Remuneration Committee | Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations |
| Preference Shares | Non-convertible cumulative redeemable preference shares of our Company of face value of ₹ 100 each |
| Promoter Group | Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" beginning on page 186 |
| Promoters | Promoters of our Company, namely, Transworld Holdings Limited, Shreyas Shipping and Logistics Limited, Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Ritesh Sivaswamy Ramakrishnan and Anisha Ramakrishnan. For further details, see "*Our Promoters and Promoter Group*" beginning on page 181 |
| Registered Office | Registered office of our Company located at 4th Floor, Himalayas, Geetmala Building, Near Shah Industrial Estate, Off Deonar Village Road, Govandi (East), Mumbai 400 088 |
| Registrar of Companies/RoC | Registrar of Companies, Maharashtra at Mumbai |
| Restated Consolidated Financial Statements | Restated consolidated financial statements of our Company as at and for the Fiscals ended March 31, 2018, 2017, 2016, 2015 and 2014 (prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013) which comprises the restated Ind AS consolidated statement of assets and liabilities, the restated Ind AS consolidated statement of profit and loss and the restated Ind AS consolidated statement of cash flows and notes thereto |
| Restated Financial Statements | Restated Consolidated Financial Statements and Restated Standalone Financial Statements |
| Restated Standalone Financial Statements | Restated standalone financial statements of our Company as at and for the Fiscals ended March 31, 2018, 2017, 2016, 2015 and 2014 (prepared in accordance with Ind AS read with Section 133 of the Companies Act, 2013) which comprises the restated Ind AS standalone statement of assets and liabilities, the restated Ind AS standalone statement of profit and loss and the restated Ind AS standalone statement of cash flows and notes thereto |
| Selling Shareholder | Transworld Holdings Limited, our Promoter |
| Shareholders | Shareholders of our Company from time to time |
| Shreyas Shipping | Shreyas Shipping and Logistics Limited |
| Stakeholders' Relationship Committee | Stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations |
| Subsidiaries | Subsidiaries of our Company, namely, Avana Global FZCO, Balaji Shipping UK Limited, Transworld Shipping, Trading & Logistics Services LLC, Oman, Transworld Shipping & Logistics LLC, Dubai, Transworld Saudi Arabia, Dammam. For details, see "*Our Subsidiaries*" beginning on page 163 |
| TW Dubai | Transworld Shipping & Logistics LLC, Dubai |
| TW Oman | Transworld Shipping, Trading & Logistics Services LLC, Oman |
| TW Saudi Arabia | Transworld Saudi Arabia, Dammam |
| Transworld Holdings | Transworld Holdings Limited |

**Issue Related Terms**

| Term | Description |
|---|---|
| Acknowledgement Slip | Slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| Allot/Allotment/Allotted | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | Successful Bidder to whom the Equity Shares are Allotted |
| Anchor Investor | Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus |

| Term | Description |
|---|---|
| Anchor Investor Allocation Price | Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers |
| Anchor Investor Application Form | Form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Bid/Issue Period | One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed |
| Anchor Investor Escrow Account | Account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid |
| Anchor Investor Issue Price | Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price<br>The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Selling Shareholder and the Book Running Lead Managers, to Anchor Investors on a discretionary basis<br>One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price |
| Application Supported by Blocked Amount or ASBA | Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account |
| ASBA Account | Bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form |
| ASBA Bid | A Bid made by an ASBA Bidder |
| ASBA Bidders | All Bidders except Anchor Investors |
| ASBA Form | Application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Axis | Axis Capital Limited |
| Bankers to the Issue | Escrow Collection Bank, Public Issue Bank and Refund Bank, as the case may be |
| Basis of Allotment | Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure*" beginning on page 405 |
| Bid | Indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form<br>The term "Bidding" shall be construed accordingly |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid, less Retail Discount, as applicable |
| Bid cum Application Form | Anchor Investor Application Form or the ASBA Form, as the context requires |
| Bid Lot | [●] Equity Shares |
| Bid/Issue Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper, [●], [●] editions of the Hindi national daily newspaper, [●] and [●] edition of the Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation |

| Term | Description |
|---|---|
| | Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations |
| Bid/Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national daily newspaper, [●], [●] editions of the Hindi national daily newspaper, [●] and [●] edition of the Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation |
| Bid/Issue Period | Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor |
| Bidding Centers | Centers at which Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Book Building Process | Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made |
| Book Running Lead Managers/ BRLMs | Book running lead managers to the Issue, being ICICI Securities Limited and Axis Capital Limited |
| Broker Centers | Centers notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker<br>The details of such Broker Centers, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| CAN/Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period |
| Cap Price | Higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted |
| Cash Escrow Agreement | Agreement to be entered amongst our Company, the Selling Shareholder, the Book Running Lead Managers, the Escrow Collection Banks, Public Issue Bank, Registrar to the Issue and the Refund Banks for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof |
| Client ID | Client identification number maintained with one of the Depositories in relation to demat account |
| Collecting Depository Participant or CDP | Depository Participant registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE |
| Cut-off Price | Issue Price, finalised by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, which shall be any price within the Price Band<br>Only Retail Individual Bidders bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price |
| Demographic Details | Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation and bank account details |
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at<br>http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms.<br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |

| Term | Description |
|---|---|
| Designated Date | Date on which funds are transferred from the Anchor Investor Escrow Account and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs, from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of Basis of Allotment in consultation with the Designated Stock Exchange |
| Designated Intermediary(ies) | Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | [●] |
| Draft Red Herring Prospectus or DRHP | This draft red herring prospectus dated June 15, 2018 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue |
| Eligible NRI(s) | NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares |
| Escrow Collection Banks | Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Anchor Investor Escrow Account will be opened, in this case being [●] |
| First Bidder | Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| Floor Price | Lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted |
| Fresh Issue | Fresh issue of up to [●] Equity Shares aggregating up to ₹ 3,000 million by our Company |
| General Information Document/GID | General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, as amended from time to time, suitably modified and included in "*Issue Procedure*" beginning on page 385 |
| I-Sec | ICICI Securities Limited |
| Issue | The initial public offer of up to [●] Equity Shares of face value of ₹ 5 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million, consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,000 million and an Offer for Sale of up to 4,300,000 Equity Shares by the Selling Shareholder aggregating up to ₹ [●] million |
| Issue Agreement | Agreement dated June 15, 2018 entered amongst our Company, the Selling Shareholder and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue |
| Issue Price | Final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus<br>The Issue Price will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers on the Pricing Date |
| Issue Proceeds | Proceeds of the Issue that are available to our Company and the Selling Shareholder |
| Maximum RIB Allottees | Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price |
| Mutual Fund Portion | 5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Issue Price |
| Mutual Funds | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |

| Term | Description |
|---|---|
| Net Proceeds | Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "*Objects of the Issue*" beginning on page 80 |
| Non-Institutional Bidders | All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Portion | Portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price |
| Non-Resident | Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs |
| Offer for Sale | Offer for sale of up to 4,300,000 Equity Shares by the Selling Shareholder aggregating up to ₹ [●] million |
| Offered Shares | Up to 4,300,000 Equity Shares aggregating to ₹ [●] million offered by the Selling Shareholder in the Offer for Sale |
| Price Band | Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof<br>The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] edition of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation |
| Pricing Date | Date on which our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, will finalise the Issue Price |
| Prospectus | Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto |
| Public Issue Account | Bank account to be opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Anchor Investor Escrow Account and ASBA Accounts on the Designated Date |
| Public Issue Bank | Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account will be opened, in this case being [●] |
| QIB Portion | Portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue or [●] Equity Shares, which shall be available for allocation to QIBs, including the Anchor Investors, subject to valid Bids being received at or above the Issue Price |
| Qualified Institutional Buyers or QIBs or QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations |
| Red Herring Prospectus or RHP | Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| Refund Account | Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made |
| Refund Bank | Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Refund Account will be opened, in this case being [●] |
| Registered Brokers | Stock brokers registered with the stock exchanges having nationwide terminals, other than the Book Running Lead Managers and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI |

| Term | Description |
|---|---|
| Registrar Agreement | Agreement dated June 15, 2018 entered amongst our Company, the Selling Shareholder and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE |
| Registrar to the Issue/Registrar | Link Intime India Private Limited |
| Retail Individual Bidder(s)/RIB(s) | Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs) |
| Retail Portion | Portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual bidders (subject to valid bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s)<br><br>QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date |
| Self-Certified Syndicate Bank(s) or SCSB(s) | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time |
| Share Escrow Agent | Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●] |
| Share Escrow Agreement | Agreement to be entered amongst our Company, the Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees |
| Specified Locations | Bidding Centers where the Syndicate shall accept ASBA Forms from Bidders |
| Syndicate | Book Running Lead Managers and the Syndicate Members |
| Syndicate Agreement | Agreement to be entered amongst our Company, the Selling Shareholder, the Book Running Lead Managers, the Syndicate Members and the Registrar to the Issue, in relation to collection of Bids by the members of the Syndicate |
| Syndicate Members | Intermediaries registered with SEBI who is permitted to carry out activities as an underwriter, namely, [●] |
| Systemically Important Non-Banking Financial Company | Systemically important non-banking financial company as defined under Regulation 2(1)(zla) of the SEBI ICDR Regulations |
| Underwriters | [●] |
| Underwriting Agreement | Agreement to be entered amongst our Company, the Selling Shareholder and the Underwriters to be entered into on or after the Pricing Date |
| Working Day | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

**Technical/Industry Related Terms/Abbreviations**

| Term | Description |
|---|---|
| CHA | Custom House Agent |
| DC | Distribution center |

| Term | Description |
|---|---|
| CSR | Corporate Social Responsibility |
| DWT | Deadweight tonnage |
| Exim | Export-Import |
| ICD | Inland container depot |
| TEU | Twenty-foot equivalent unit |
| NVOCC | Non-vessel operating common carrier |
| SEZ | Special economic zone |

**Conventional and General Terms or Abbreviations**

| Term | Description |
|---|---|
| ₹/Rs./Rupees/INR | Indian Rupees |
| AED | United Arab Emirates dirham |
| AGM | Annual General Meeting |
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| BSE | BSE Limited |
| Category I AIF | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations |
| Category II AIF | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations |
| Category III AIF | AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations |
| CAGR | Compounded Annual Growth Rate (as a %) : (End Year/Base Year) ^ (1/No. of years between Base year and End year) – 1 [^ denotes ‘raised to’] |
| Category II Foreign Portfolio Investors | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations |
| Category III Foreign Portfolio Investors | FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Civil Code | The Code of Civil Procedure, 1908 |
| Companies Act | Companies Act, 1956 and Companies Act, 2013, as applicable |
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder |
| Companies Act, 2013 | Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder |
| Contract Labour Act | Contract Labour (Regulation and Abolition) Act, 1970 |
| Depositories | NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India |
| DP ID | Depository Participant Identification |
| DP/Depository Participant | Depository participant as defined under the Depositories Act |
| EGM | Extraordinary General Meeting |
| EBITDA | Earnings before interest (net), taxes, depreciation and amortisation |
| EPS | Earnings Per Share |

| Term | Description |
|---|---|
| FDI | Foreign direct investment |
| FDI Policy | Consolidated Foreign Direct Investment Policy notified by the DIPP through notification dated August 28, 2017 effective from August 28, 2017 |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations there under |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 |
| Financial Year/Fiscal/FY | Unless stated otherwise, the period of 12 months ending March 31 of that particular year |
| FPI(s) | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| FVCI | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations |
| GBP | Great British Pound |
| GAAR | General Anti Avoidance Rules |
| Gazette | Gazette of India |
| GIR | General Index Register |
| GoI or Government or Central Government | Government of India |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| India | Republic of India |
| Ind AS/ Indian Accounting Standards | Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IPO | Initial public offering |
| IST | Indian Standard Time |
| IT | Information Technology |
| IT Act | The Income Tax Act, 1961 |
| Listing Agreement | Listing Agreement to be entered amongst our Company with the Stock Exchanges |
| Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| MCA | Ministry of Corporate Affairs |
| MICR | Magnetic Ink Character Recognition |
| Mutual Fund (s) | Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996 |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NECS | National Electronic Clearing Services |
| NEFT | National Electronic Fund Transfer |
| NRI | Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB/Overseas Corporate Body | Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue |

| Term | Description |
|---|---|
| OMR | Omani Rial |
| p.a. | Per annum |
| P/E | Price/earnings |
| P/E Ratio | Price/earnings ratio |
| PAN | Permanent account number |
| PAT | Profit after tax |
| RBI | The Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934 |
| Regulation S | Regulation S under the U.S. Securities Act |
| RTGS | Real Time Gross Settlement |
| SAR | Saudi Arabian Riyal |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI ESOP Regulations | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations |
| State Government | The government of a state in India |
| Stock Exchanges | BSE and NSE |
| STT | Securities transaction tax |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| TAN | Tax deduction account number |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| U.S./USA/United States/United States of America | The United States, as such term is defined in Regulation S promulgated under the U.S. Securities Act, as amended |
| USD/US$ | United States Dollars |
| VCFs | Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations |

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and to the "U.S.", "USA" or "United States" are to the United States of America.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless the context requires otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### Financial Data

Unless otherwise stated or context requires otherwise, the financial data included in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. The Restated Financial Statements included in this Draft Red Herring Prospectus have been prepared under Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, to the extent applicable. The Restated Financial Statements have been compiled from the audited standalone and consolidated financial statements of our Company for the respective fiscals under the previous generally accepted accounting principles followed in India. We have transitioned to the Ind AS accounting standards with effect from April 1, 2016 and have prepared our audited financial statements for (i) Fiscals 2018 and 2017 in accordance with Ind AS; and (ii) Fiscals 2016, 2015 and 2014 in accordance with Indian GAAP.

Our Restated Financial Statements have been prepared in accordance with Ind AS. There are significant differences between Ind AS and US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. The Restated Financial Statements have been prepared, based on financial statements as at and for the Fiscals ended March 31, 2018, 2017, 2016, 2015 and 2014 in accordance with Ind AS notified under Section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other applicable provisions of the Companies Act, 2013, if any. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition*" on page 34. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

EBITDA presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Furthermore, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals, including percentage figures, have been rounded off to the second decimal.

Our Company's financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

Unless the context requires otherwise, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 15, 142 and 324, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Statements.

### Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States;

- “Euro” or “€” are to Euro, the official currency of the Eurozone;
- “GBP” or “£” are to Great Britain Pound, the official currency of United Kingdom;
- “AED” are to United Arab Emirates dirham, the official currency of the United Arab Emirates;
- “SAR” are to Saudi Riyal, the official currency of Saudi Arabia; and
- “OMR” are to Omani Rial, the official currency of Oman.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

**Exchange Rates**

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

*(in ₹)*

| Currency | As on March 31, 2018 | As on March 31, 2017 | As on March 31, 2016 | As on March 31, 2015 |
|---|---|---|---|---|
| 1 USD | 65.04 | 64.84 | 66.33 | 62.59 |
| 1 Euro | 80.62 | 69.25 | 75.10 | 67.51 |
| 1 AED | 17.65 | 17.62 | 18.00 | 17.02 |
| 1 SAR | 17.29 | 17.26 | 17.63 | 16.66 |
| 1 OMR | 168.42 | 167.59 | 171.23 | 161.70 |
| 1 GBP | 99.85 | 92.46 | 95.09 | 80.88 |

*Source: RBI Reference Rate for USD, Euro and GBP; and www.oanda.com for all other currencies listed above*

**Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources. Further, information has also been derived from report dated May 2018, titled Market Assessment of India’s Logistics Industry with Focus on Integrated Container Logistics issued by CRISIL, which has been commissioned by our Company. For risks in relation to commissioned reports, see “*Risk Factors – We have commissioned industry reports from certain agencies, which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us*” on page 30.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Book Running Lead Managers, or any of their respective affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

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. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” beginning on page 15. Accordingly, investment decisions should not be based solely on such information.

**Disclaimer of CRISIL**

This Draft Red Herring Prospectus contains data and statistics from certain reports and material prepared by CRISIL, which is subject to the following disclaimer:

“CRISIL Research, a division of CRISIL Limited (“**CRISIL**”) has taken due care and caution in preparing this report (“**Report**”) based on the information obtained by CRISIL from sources which it considers reliable (“**Data**”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Avana Logistek Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval."

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", "seek to" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans, prospects or goals are also forward-looking statements. Moreover, all forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results of operations may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the logistics sector and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our Company's exposure to market risks, general economic and political conditions in India which have an impact on our Company's 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 the industry we operate in.

Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- dependency on companies in the Transworld group for our business and on our business partners for operating assets;
- inability to run our new cold chain business and warehousing and distribution business;
- vulnerability in relation to having geographically concentrated operations;
- inability to maintain and develop the 'Avana' brand; and
- dependency on a certain number of our customers which exposes us to risk of client concentration.

For further details, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 15, 142, 324, respectively. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholder, the Book Running Lead Managers, the Syndicate Members nor any of their respective affiliates or advisors 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 the SEBI ICDR Regulations and the Listing Regulations, our Company and the Book Running Lead Managers will ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with requirements of SEBI and as prescribed under applicable law, the Selling Shareholder shall ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by the Selling Shareholder in relation to itself and the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically "confirmed" or "undertaken" by the Selling Shareholder, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by the Selling Shareholder.

## SECTION II: RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below/, before making an investment in the Equity Shares. You should read this section together with "Industry Overview", "Our Business", "Regulations and Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Draft Red Herring Prospectus. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*Prospective investors should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise indicated, all financial information included herein are based on our Restated Consolidated Financial Statements. See "Financial Statements" beginning on page 201.*

***Internal Risk Factors***

***Risks relating our business***

***1. We are vulnerable to risks associated with having geographically concentrated operations.***

A substantial amount of our operations from international multimodal business takes place in the Middle East and GCC region and from domestic multimodal business takes place in Gujarat, Kerala and Tamil Nadu. Pursuant to acquisition of Avana Global, we have access to and operate in many major ports in India, the Middle East, South East Asia and Far East, including the port of Jebel Ali, which is the largest port, in terms of container port traffic, for GCC region according to the CRISIL Report, which has developed into a strategic trans-shipment port for other countries of GCC region. Because of this concentration, the success and profitability of our overall operations may be disproportionately exposed to regional factors. These regional factors include, among others: (i) the growth in population, income levels, and deposits, (ii) increased competition as more players enter into these geographies, (iii) general economic conditions, (iv) laws and regulations, both Indian and international (v) increased competition, and (vi) other developments including political unrest, floods and other natural calamities. Moreover, since most of our international business operations are being conducted through our Subsidiaries, which are subject to laws and regulations of their respective geographical locations, any negative change in laws in their respective countries may have an adverse effect on our business.

Any one of these events may require us to shut major part of our operations, and may result in a material adverse change in our business, financial condition, results of operations and cash flows.

***2. We significantly depend on companies in the Transworld group for our business.***

We are a part of the well diversified Transworld group which provides us access to wide range of reliable service offerings, including its large network, offices and businesses. The Transworld group also provides us access to its wide geographical reach and various customers operating in different industry segments. We hold a significant edge over our competition in terms of belonging to the Transworld group which has two vessel operating companies being Shreyas Shipping, our Promoter and Transworld Feeders, our Group Company, based in UAE operating vessels between multiple regions such as Middle East, Far East, South East Asian region and India. Further, we have dedicated space which we make available to our customers both under the domestic and international logistic routes which enables us to offer assured space availability to our customers for dry and reefer cargo thereby further enabling us to reduce costs and increase our margins, while simultaneously offering assured services to our customers. While we expect to continue to depend on our relationship with the Transworld group entities and leverage the lineage benefits we receive by the virtue of being a part of Transworld group, we cannot assure you that we will continue to receive the same degree of support from the Transworld group entities in the future as well.

Any adverse changes in the nature of operations of any of the Transworld group entities or any unexpected diminution in our relationship with the Transworld group may materially and adversely affect our business, operations, financial condition, results of operations, cash flows and prospects.

3. ***Our dependency upon our network of agents for fulfilment of logistics needs of our customers. Our inability to maintain our relationships with our agents or deficiency in the service provided by such agents may adversely affect our revenues and profitability.***

We depend on our network of agents for cargo handling, transportation, warehousing and timely delivery at the destination and load port for export cargo and import cargo respectively. For this purpose, we enter into memorandums and agreements in the normal course of business with agents. We have limited control over the operations and businesses of such agents. If any agents treat our competitors' more favourably than us and we are unable to find appropriate substitutes, our business, financial condition and results of operations may be adversely affected. Our reliance on, and inability to control agents could adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to obtain access to preferred third-party vendors for our leased space, equipment, vehicles or independent contractors, or at attractive rates or that these vendors will have adequate available capacity to meet our needs or be able to meet our requirements in a timely manner. If our competitors provide greater incentives to our agents, our agents may choose to do business with our competitors instead of us. As a result, our operations may be disrupted and our financial condition and results of operations could be adversely affected. For instance, Avana Global had certain disputes with one of its agents, Kalaye Saree International Shipping and Forwarding Co. Tehran in the past in relation to recovery of outstanding dues payables to our Avana Global and Avana Global had subsequently filed a case against Kalaye Saree International Shipping and Forwarding Co. Tehran before Tehran General Department of Justice, Division 36 of the Court of General Jurisdiction court demanding an amount of USD 1.11 million. The matter is currently pending. For further details, see "*Outstanding Litigation and Material Developments – Litigation involving Subsidiaries – Litigation by Avana Global – Serial No. 1*" on page 351. Any deficiency in the service levels of our agents or termination of any such agency agreement can directly impact our business. We cannot provide assurance that such arrangements as aforesaid will continue to be successful, that we will be able to renew such agreements or that we will be able to enter into new agency agreements. Any alteration to or termination of our current agreements with agents, any failure to enter into new and similar agreements on commercially favourable terms or at all, could materially adversely affect our business, financial condition, prospects or results of operations.

4. ***Our Company, our Directors, our Subsidiaries, Promoters and certain of our Group Companies are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.***

Our Company and certain of our Directors, Subsidiaries, Promoters and Group Companies are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters, actions by regulatory/ statutory authorities and matters above the materiality threshold against our Company, Subsidiaries, Promoters, Group Companies and Directors have been set out below.

**Litigation against our Company**

| Nature of cases | Number of outstanding cases | Amount involved (in ₹ million) |
|---|---|---|
| Taxation matters | 6 | 263.40 |

**Litigation against our Subsidiaries**

| Nature of cases | Number of outstanding cases | Amount involved (in ₹ million) |
|---|---|---|
| Matters involving an amount above ₹ 5.07 million | 1 | 27.81 |
| Taxation matters | 5 | 533.14 |

**Litigation against our Promoters**

| Nature of cases | Number of outstanding cases | Amount involved (in ₹ million) |
|---|---|---|
| Criminal cases | 1 | Non-quantifiable |

**Litigation against our Directors**

| Nature of cases | Number of outstanding cases | Amount involved (in ₹ million) |
|---|---|---|
| Criminal cases | 3 | Non-quantifiable |

**Litigation against our Group Companies**

| Nature of cases | Number of outstanding cases | Amount involved (in ₹ million) |
|---|---|---|
| Matters involving an amount above ₹ 5.07 million | 2 | 225.90 |

In relation to the outstanding litigation matters mentioned above, while the amounts involved in these matters have been disclosed, the interest involved in such litigations may not be ascertainable or quantifiable at this stage and hence not disclosed. For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 349. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against us or our Company, our Directors, Promoters, Subsidiaries and Group Companies, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

5. ***We significantly depend on certain number of our customers which exposes us to risk of client concentration and a loss of, or a significant decrease in business from such customers could adversely affect our business and profitability.***

We significantly depend on certain number of our customers availing our multimodal logistics solutions in domestic as well international markets. As a result of our dependence on these customers, any loss of business from, or any significant reduction in the volume of business with, any of these customers, if not replaced, could materially and adversely affect our business, financial conditions and results of operations. Our arrangements with our customers are typically subject to periodic renewal and negotiations. Our reliance on such number of customers may constrain our ability to negotiate these arrangements. For instance, during the Fiscal 2018, Fiscal 2017 and Fiscal 2016, the top 10 customers of our Company contributed approximately ₹ 2,608.01 million, ₹ 1,615.95 million and ₹ 1,422.14 million constituting 39.02%, 29.25% and 33.31%, respectively, of total income of our Company on a standalone basis.

Our business also depends significantly on the performance of the industry segments in which our customers operate and accordingly, our customers may decide to reduce enabling our multimodal logistics solutions due to any such change in their business performance, changing economic, environmental and other factors relating to the industry in which they operate.

For instance, we have and continue providing services to customers in the business of manufacturing tiles and ceramic products and any decrease in the demand for tiles and ceramic materials will directly affect our business. Moreover, since there are other risks associated with arranging logistics for tiles and other ceramic products such as likelihood of products getting damaged during transit, even though we are covered by insurance, in the ordinary course of our business, it may not address all of our potential exposures or, in the case of substantial losses, may be inadequate.

Moreover, the logistics industry tends to be affected directly by trends in the general economy and it is sensitive to general economic conditions and factors such as consumer demand, consumer confidence, inflation, employment and disposable income levels, interest rate levels, demographic trends, technological changes, increasing environmental, health and safety regulations, government policies, and adverse climatic conditions which may negatively affect the demand for our services. In particular, any technology driven disruption or general adverse climatic conditions may change the way the logistics industry, and specifically its domestic multimodal container services arm operates and could adversely affect the demand from certain of our existing customers and their receptiveness to any such changes vis-à-vis the logistics industry. If one or a combination of the foregoing factors were to arise, our business, financial condition, results of operations and prospects could be materially and adversely affected.

6. ***We are dependent on a large number of leasing companies / business partners / port or terminal operators, who provide us operating assets and disruption in our relationships with such leasing companies / business partners / port or terminal operators could adversely impact our business, results of operations, profitability and financial condition.***

We operate on an asset light model which provides us the flexibility to use the best mode of transportation to serve our customers. As a result of this, we rely on a large number of leasing companies and business partners, who provide us operating assets, including deployment of additional vehicles, manpower and containers We cannot assure you that our business partners will continue to supply these assets to us in a timely manner or in quantities or prices that are commercially acceptable to us, or at all. Events beyond our control or that of our business partners may also affect the cost or availability of vehicles and related equipment. We or our business partners may be required to make significant expenditure and investments in the event of changes in applicable laws and regulations, particularly any changes which impact the vehicles we operate for our businesses, which may also affect our ability for obtaining such vehicles from leasing companies / business partners.

We may, under certain circumstances, be required to hire vehicles on an ad-hoc basis. In addition, we may not have any control over the servicing and maintenance of these vehicles. Any non-availability or delays in obtaining hired vehicles or breakdowns, on-road repairs or service interruptions may result in loss of orders or delays in delivery of goods, any of which could lead to client dissatisfaction and loss of business. In addition, there may be a shortage of business partners that meet our quality standards and other selection criteria and, as a result, we may not be able to engage a sufficient number of high quality business partners in a timely manner.

We are also dependent upon various port or terminal operators globally for providing handling service and have long standing relationships with them. Any disruption in their services to us will also in turn impact our services to our customers. Any termination of our relationships with such leasing companies / business partners / port or terminal operators or any restraining order of any judicial, Governmental or any other regulatory authority against them could adversely impact our business, results of operations, profitability and financial condition.

***7. We are exposed to the likelihood of accidents involving hazardous goods as we facilitate logistics solutions for cargos that may be hazardous in nature as well consequently we may be subject to litigation.***

We have in past, and continue handling hazardous cargo, such as chemicals. There are various risks involved in handling of hazardous cargo and any mishandling of hazardous substances which could affect our business adversely. Some of the hazards associated with handling hazardous substances are injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in initiation of litigation. Avana Global is involved in a litigation proceeding alleging fire caused due to leakage of nitric acid. Moreover, one of our Group Companies, Transworld Feeders FZCO is also involved in litigation proceeding relating to mis-declaration of dangerous cargo by its joint-venture partner. For details, see "*Outstanding Litigation and Material Developments – Litigation involving Group Companies – Litigation against Transworld Feeders FZCO – Serial No. 1*" on pages 353 and 354. If any such litigation is initiated against us, we may have to employ enough time, resources and money in defending such litigation, which has potential to adversely impact our reputation, financial condition and results of operations.

***8. Some of our business is in countries subject to sanctions imposed by the United States of America or European Union and any the change in the sanctions policy by the respective governments may adversely affect our business operations and financial conditions.***

We have undertaken business in countries which are subject to the international sanctions and restrictions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or equivalent sanctions regimes administered by Her Majesty's Treasury, the European Union, the United Nations or other relevant sanctions authorities ("**International Sanctions**"). We continue to engage in business in Iran that is subject to International Sanctions. In Fiscal 2018, revenues generated from our operations in Iran amounted to 2.33% of our consolidated total revenue from operations and gross profit from our operations in Iran amounted to 3.82% of our consolidated gross profit. Whilst we do not have any permanent establishment in Iran and we believe that we comply with all applicable International Sanctions and do not transact with customers or transact in commodities or operations which are prohibited under the International Sanctions, there can be no assurance that our business will not be impacted by such International Sanctions in the future, particularly if there are changes to, or more stringent application of, the International Sanctions, or if we make changes to our operations or services or based in countries subject to such International Sanctions. Further, whilst we believe that we have suitable processes in place and undertake appropriate verification of our customers, we may not receive accurate information about our customers or services to be provided to our customers. In addition, as a result of our business activities or a change in the scope or application of International Sanctions, our counterparties, including our vendors and suppliers, or our customers, that are required to comply with such International Sanctions, may seek to terminate or modify our contractual arrangements to impose additional conditions that may be adverse to our operations or business prospects, or may be precluded from entering into commercial transactions with us.

Our customers, third-party service providers or agents may be required to comply or may become subject to International Sanctions, accordingly, we would not be able to continue transacting or undertake new transactions with such customers, third-party service providers or agents which may have an effect on our results of operations.

Investors in the Equity Shares could incur risks as a result of our business dealings with persons or customers in jurisdictions which are or could be subject to International Sanctions.

***9. We are affected by seasonality experienced in providing logistics solutions to our customers depending upon the festival season in India at different geographical locations.***

We experience a seasonal surge in services during the festival season every year, for instance there is a substantial increase in demand for our services in the north Indian region during Diwali and the state of Kerala during Onam festival. Further, our international operations are also affected with the increase in demand in the Middle East region during the festivals in that region such as Ramadan. While we are prepared for the festival season with resources like man-power, any unforeseeable increase in demand for our services may impose challenging resource and capacity demands on our business operations.

Seasonality also makes it challenging to forecast demand for our services, as the graph of volume of services provided across the year has unpredictability attached to it. We make planning and spending decisions, including capacity expansion, procurement commitments, personnel needs and other resource requirements based on our estimates of demand. Failure to meet demand associated with the seasonality in a timely manner may adversely impact our reputation, financial condition and results of operations.

10. ***We are subject to risks of conducting business at international level such as cabotage laws and these risks if materialized in future may have an effect on our operations.***

Most of our business operations are divided into providing logistics solutions at coastal and regional liner levels, and pursuant to our Company's acquisition of Avana Global, we have set our foot in the international market thereby necessitating our operations from outside the Indian coastal waters as well. Our international operations are subject to a number of risks inherent to any business operating in foreign countries and meets various operating restrictions, risks and hazards, including, *inter alia*, cabotage laws, foreign currency exchange fluctuations, government and regulatory requirements across various jurisdictions, political and economic instability, including war and piracy, changes to shipping tax regimes, imposition of currency exchange controls, potentially adverse tax consequences and language and cultural differences.

While our international operations may get affected due to increase in cabotage laws overseas, similarly our domestic business may also get affected if such laws are relaxed in India. We cannot predict whether any of the above risks will materialize or whether they would have any effect on our operations, financial conditions and reputation.

11. ***We may face several risks associated with the setting up of our new cold chain business and warehousing and distribution business, which could hamper our growth, cash flows and business and financial condition.***

We have recently started providing warehousing & distribution services for providing commercial storage and cold chain (temperature controlled warehousing and transportation) services for cold storage facilities equipped for active refrigeration on long haul freight. We may need to allocate a significant part of our cash flows from our business operations for capital expenditures for developing the infrastructure for these new businesses. In establishing these new businesses, we may encounter cost overruns or delays for various reasons, including, but not limited to, delays in construction, delays in receiving governmental, statutory and other regulatory approvals and permits and delays in, or non-delivery of equipment by suppliers. If any facility that we propose to set up is not completed in a timely manner, or at all, our business and results of operations may be adversely affected. Further, our budgeted resources may prove insufficient to meet our requirements due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available, on terms favourable to us, or at all.

Further, we may face the risk of not being able to obtain a desired location specific to our customers' requirements, which could affect their supply chain operations and costs as well as our margins on our services provided to them. In addition to the foregoing, our Company is also subject to risks related to our relatively recent acquisition of Avana Global. If we are unable to successfully integrate our domestic and international business, it could cause us to expend additional costs or deter us from making successful future acquisitions.

12. ***As part of industry practice we have to incur certain expenditure despite of not being able to utilize the resources to the full extent.***

We are dependent on few of our business partners who provide us with slots on their vessels to enable us to carry our business. We have to incur certain operational costs to book slots in such vessels in advance which may not be cost-effective so far as such cost being in the nature of debt-slot arrangement which we may not be utilize to the full extent depending upon the business conditions. While we try to ensure the utilization of the investments made by us to their optimum level, we may have to incur certain expenditure on assets which may not be utilized to the full extent thereby resulting in unfulfilled cost benefit ratio for us.

13. ***Since we regularly deal with third-party service providers and agents, any omission or error made by such parties may affect our business, both in terms of reputation and monies. Our business is also likely to get adversely affected if a situation of dispute with the third-party service providers or agents arises.***

We have engaged and continue to engage various third-party service providers and agents and we may not be fully indemnified for any loss or damage that we may suffer as a result of the acts or omissions committed by such third-party service providers and agents that may not be excluded under law. Further, if the performance of any third-party service provider or agent is not satisfactory, we may need to replace them or take other remedial actions. In the alternative, there could be a situation in future where there is a dispute between our Company and such third-party service provider or agent who may decide to discontinue providing their services to our Company.

The loss of some of our key service providers or loss or liability incurred as a result of actions by our key third-party service providers or agents, due to any dispute or otherwise, could adversely affect our reputation, financial condition and results of operations.

14. ***We are subject to various risks associated with transportation and we may face claims relating to loss or damage to cargo, personal injury claims or other operating risks.***

We have undertaken measures to minimize the risks associated with our business however, we remain subject to various risks inherently present in our business operations, including potential liability to our customers which could result from, among other circumstances, theft, damage or loss of materials that we arrange logistics for, personal injury to passengers or damage to property arising from accidents or incidents involving vehicles operated by us.

As far as the vehicles owned by us are concerned we have undertaken various measures to ensure that the goods being transported are tracked by using GPS mechanism, however, we are subject to risks associated with theft or loss of cargo during transit when the vehicles used to achieve the means of providing end-to-end solutions are, *inter alia,* not owned by us. In the past five years, there have been thefts of our trucks, containers with cargo and may, in future suffer similar losses, requiring us to compensate our customers in the event of any damage or loss of goods even though we may have secured insurance coverage for the goods transported by us.

15. ***Most of our operational assets are leased pursuant to long-term leases or leave and licence agreements and we may have no control over the quality of such assets. In future, sourcing of such assets may get affected when the demand is high.***

Our business model as far as ownership of assets is concerned is an asset-light model and we have leased out various assets necessary for our operations such as containers. Whilst we do a preliminary/ sample check over the quality of containers leased out by us, there is a likelihood that some of the containers leased by us may not be of up to the mark quality. In the scenario where a container leased out by us turns out to be of sub-standard quality, it could have an adverse effect on our reputation, financial condition and results of operations could be adversely affected.

Further, even though we have not faced difficulty in obtaining leases of containers in the past, there may be a situation in the unforeseeable future when the demand of the containers goes higher than usual which may create difficulties for us to obtain such leases.

16. ***Most of our facilities used for our multimodal logistics business are leased pursuant to long-term leases or leave and licence agreements, which we may be unable to renew on satisfactory terms, or at all, or which may limit our flexibility to seek new rental agreements or terms***

Most of our facilities are located in leased premises or have been taken on a leave and licence basis. Many of our current leases or leave and licence agreements cannot be terminated without cause. If our locations are no longer profitable or if there are other factors to close down a facility, we will generally remain liable to perform our obligations under the underlying lease or leave and licence agreement, which could, among other things, result in payment of rent for the balance of the rental term. Our obligation to continue making rental payments and fulfil other obligations under these agreements for closed facilities could have a material adverse effect on our business, financial condition and results of operations.

Most of our transportation vehicles, reefer vehicles in our temperature-controlled logistics operations, are hired from third-party fleet operators. If third-party fleet operators do not provide adequate or reliable vehicles, which can service the needs of our customers, it could cause delays in shipment or damages to goods, which could adversely affect our reputation, financial condition and results of operations.

In addition, we may fail to negotiate the renewal of our leases or leave and licence agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or setting up of new premises, or to close facilities in desirable locations, affecting our financial condition and operations. If we are unable to renew underlying agreements on favourable terms or at all, we may be forced to move to new facilities and incur significant capital expenditures and others costs in customising such locations to suit needs and requirements.

17. ***Our management will have broad discretion in determining the utilisation of the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution.***

Our Company intends to use the Net Proceeds for (i) capital expenditure for setting up of new dry warehouses and cold storages; (ii) repayment/prepayment of certain borrowings of our Company; (iii) acquisition of containers for coastal and liner services; (iv) expenditure towards software development, implementation and maintenance; and (v) general corporate purposes. For further details, see "*Objects of the Issue*" beginning on page 80. Our management will have broad discretion to use the Net Proceeds and investors will be relying on the judgment of our management regarding the application of the Net Proceeds. Whilst a monitoring agency will be appointed in compliance with the SEBI ICDR Regulations for monitoring utilisation of Net Proceeds, the funding plans are in accordance with our own estimates and have not been appraised by any bank, financial institution or any other external agency.

In view of the competitive environment of the industry in which we operate as well as the competitive nature of the industry, we may have to revise our business plan from time to time and consequently our capital requirements may also change. Our historical capital expenditure may not be reflective of our future capital expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

For some of the objects of the Issue, we have obtained quotations from relevant vendors and such quotations are based on certain assumptions such as standard inflation based on past rates and experience, currency conversion rates, availability of the products and raw materials and accordingly, the rates provided under these quotations are subject to any variation in any of these assumptions in the future. Further, for the object of capital expenditure for setting up of new dry warehouses and cold storages, we have not entered into definitive arrangements with respect to leasing or purchase of land for setting up of some of the dry warehouses and cold storages and there is no assurance that we will be able to enter into such arrangements in a timely manner or at all. Some of the lease arrangements that we have executed with third parties require obtaining of applicable approvals from relevant authorities and there is no assurance that we will be provided with such approvals.

With respect to our object of acquisition of containers for coastal and liner services, we have not entered into any definitive agreement for purchase of such containers. The availability and pricing of containers in the secondary market is highly dependent on various factors such as prevailing prices of raw material such as steel, limited capacity for building new containers and the high commodity prices which may also be fuelled by high freight rates which may adversely affect our ability to purchase the containers in the manner stipulated in the "*Objects of the Issue*". Further, whilst our Company believes that repayment/prepayment of certain borrowings will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion in new projects and strengthen our balance sheet and the leverage capacity, such repayment/prepayment may not result in any tangible benefits or creation of assets.

Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in its business. For instance, our expansion plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, including increases in raw material costs, or for other unforeseen reasons, events or circumstances. Our Board will have significant flexibility in temporarily investing the Net Proceeds of the Issue. Accordingly, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of its business, increased profitability or an increase in the value of your investment. Additionally, the Issue comprises Offer for Sale by the Selling Shareholder. We will not receive any proceeds from the Offer for Sale.

***18. Any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.***

The details of the proposed utilisation of the Net Proceeds are set out in "*Objects of the Issue*" on page 80. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as will be disclosed in this Draft Red Herring Prospectus without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

Further, the Promoters or controlling shareholders would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to modify the objects of the Issue, at a price and manner as may be prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

***19. Our business is highly dependent on technology and any disruption or failure of our technology systems may affect our operations***

Our business is significantly dependent on our technological systems, including warehousing management system, transportation management system and certain software used by us for tracking distribution. For further details, see "*Our Business*" beginning on page 142.

Any breaches of our IT systems may require us to incur further expenditure on repairs or more advanced security systems. A significant system failure could adversely affect our ability to manage overall operations, thereby affecting our ability to deliver our services to our clients, affecting our reputation and revenues. If such interruption is prolonged, our business, operations, financial condition and results of operations may be materially and adversely affected. Further, we are yet to implement disaster recovery systems, which could lead to adverse consequences in the event of disasters affecting our business. We are also subject to hacking or other breaches of our IT systems. Although we have anti-virus and anti-hacking measures in place, we cannot assure you that we can successfully block and prevent all hacking or other breaches. While our maintenance costs typically account for a small portion of our expenses, we may experience significant costs in the event that large-scale maintenance of our technology is required.

Some of our existing technologies and processes in the business may become obsolete or perform less efficiently compared to newer and better technologies and processes in the future. Certain of our competitors may have access to similar or superior technology or may have better adapted themselves to technological changes.

***20. We are exposed to certain negligent and fraudulent activities which may adversely affect our business operations***

We are exposed to risks relating to fraudulent acts which may be committed by our employees, third-party service providers or agents such as forgery. We have, in past, been target of forgery induced by improper/ incorrect documentation whereby our customers have declared wrong information in relation to the goods being transported, in terms of nature of goods or the volume of goods.

Such incidents, if having involvement of any hazardous or valuable goods, if traced by the vessel agents or the regulatory authorities such as customs, may lead to imposition of penalty. It may also lead to seizure of our containers in which such goods were carried, along with the goods, causing disruption in our logistics operations.

***21. Certain supporting documents in connection with the biographies of certain of our Directors and Key Management Personnel included in "Our Management" are unavailable.***

Certain documents supporting the information included in the biographies pertaining to educational qualifications, previous work experience for certain of Directors and Key Management Personnel, disclosed in "*Our Management*" beginning on page 166 are unavailable. Such details are supported by affidavits executed by such Directors and Key Management Personnel, certifying the authenticity of the information provided with respect to each such individual.

***22. Changes in law or regulations in India or their implementation or any other measures undertaken by the Government or any new regulations pertaining to logistics business could disrupt our business and adversely affect our business and result of operation.***

Our business is regulated by different laws, rules and regulations framed by the Government which may be amended/changed on a short notice at the discretion of the Government. For instances, all major ports mandatorily offer 40% discounted tariff for handling charges, if any major changes in such concession offered then it may impact our business.

Any such unanticipated measures undertaken by the Government or any regulatory authority may adversely affect our business, financial condition and results of operations. Further, if we fail to comply with all the applicable regulations or if the regulations governing our business or their interpretation change adversely, we may incur increased cost or be subject to penalties which could disrupt our operations and adversely impact our business, financial conditions and result of operations.

Further, logistics and shipping businesses in India is largely currently unregulated. Any governmental regulation or laws to regulate such businesses may affect our business, financial condition and results of operations.

23. ***We are covered by the risks associated with perils of sea and we may not be able to deliver the cargo on timely basis due to reasons beyond our control and inherent to the nature of our business.***

Since we provide services associated with transportation modes involving sea and waters, we are covered by the risks associated with sea perils such as injuries related to transportation over navigable waters, collision of ships. While we owe to our customers' certain contractual obligations such as timely delivery of goods, any failure on our part to provide such services in an effective manner, we may become liable to claims by customers, suffer adverse publicity and suffer substantial loss as a result of deficiency which could adversely affect our operation of business.

While we are largely covered by marine insurance policies any successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including increase in premium or any co-insurance requirement, could adversely affect our business, financial conditions and results of operation.

24. ***We derive certain portion of our revenue from international operations and are exposed to foreign exchange risk.***

We have a presence in various countries and territories, including Middle East region and United Kingdom, through our Subsidiaries and agents. Our business is therefore exposed to fluctuations in foreign exchange rates as our commercial transactions and our assets and liabilities are denominated in many different currencies such as OMR, USD, SAR, Euro and GBP. While our financial statements are prepared in Indian rupees, foreign currency fluctuations can also result in losses and gains resulting from translation of foreign currency denominated balances on our financials. We cannot guarantee that we will not experience foreign exchange losses going forward and that such losses will not adversely affect our business, financial condition or results of operations.

25. ***If we are unable to protect our trademarks and tradenames, others may be able to use our trademarks and tradenames to compete more effectively.***

We have recently changed our name from Shreyas Relay Systems Limited to Avana Logistek Limited. In light of this change, we have applied for registration of our trademark and tradename of "Avana Logistek Limited". Further, Ritesh Sivaswamy Ramakrishnan, our Promoter and Joint Managing Director, has entered into a deed of assignment dated June 1, 2018 with our Company, to permit use of the domain, www.avanalogistek.com by our Company.

Further, Ramakrishnan Sivaswamy Iyer, our Promoter and Executive Chairman, the assignor of the trademark "Transworld Group" has entered into a deed of assignment dated May 1, 2018 with our Company, to assign and transfer the trademark "Transworld Group" and all subsisting copyrights vesting in the artistic work along with the domain, www.transworld.com to our Company. The "Transworld Group" trademark, tradename and logo are yet to be registered.

Until our trademark registration applications for both, logo and word are accepted, any unauthorised or inappropriate use of our brand, trademarks and domain names by others, in their corporate names or product brands or otherwise could harm our brand image, competitive advantages and business and dilute or harm our reputation and brand recognition. We cannot assure you that any infringement claims that are material will not arise in the future or that we will be successful in defending any such claims when they arise. Our efforts to protect our intellectual property and the measures we take to identify potential infringement of our intellectual property may not be adequate to detect or prevent infringement, misappropriation or unauthorised use. The misappropriation or duplication of our intellectual property or proprietary information may disrupt our business, distract management and employees, reduce revenues and increase expenses.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

Additionally, we believe that we benefit in reputational terms with customers throughout India and in the Middle East as a result of being a company associated with the Transworld group. Even though we will continue to leverage the edge we have over our competitors due to the Transworld lineage, going forward with establishing our Company in terms of branding of our name and logo which has been changed in recent times may take some time and resources for our Company.

26. ***We are dependent on our customers' business performance and developments in their markets and industries and their continuing outsourcing of logistics operations.***

As a multimodal logistics solutions provider company, we are primarily engaged in providing services to customers in a wide variety of industries to serve their logistics needs. We are therefore dependent on our customers' business performance and developments in their markets and industries. If our customers' business in a geographic market served by us is on decline, such decline will in most likelihood lead to a corresponding decrease in demand for our integrated logistics, warehousing and distributions services and solutions.

In addition to the foregoing, since we serve as a third-party logistics provider for our customers, adverse changes in their outsourcing decisions could materially and adversely affect our business, financial condition and results of operations. If our customers change their strategy and decide to reduce their outsourcing of logistics operations or if they decide to outsource their requirements to other competitors, it will have a direct negative impact on our integrated logistics business. Adverse developments in our customers' business performance and outsourcing decisions could therefore materially and adversely affect our business, financial condition and results of operations.

27. ***If we are unable to retain existing users and acquire new customers, it will impact our business, future revenues and operating results.***

We have a large customer-base of over 24,000 customers across the globe which operate in various industry verticals. One of our strategies is to cross-sell existing services to customers and increase the customer base by providing them broad spectrum of services and accordingly it is essential to acquire new customers and retain existing customers. Typically, we do not enter into long term or exclusive contracts with our customers. We generally procure business from our customer based on purchase orders and agents. Some of our customers could stop using our services in any given period due to, among other things, the cost of switching to services of competitors. In addition, we may not be able to acquire new customers for a variety of reasons, including, if our services are perceived to be less cost effective.

If we are unable to attract a sufficient number of new customers, we may be unable to generate revenue growth at desired rates. Our industry is highly competitive and many of our competitors have long customer relations, substantial financial, personnel, technical and other resources that they utilise to provide services at par. As a result, it may be difficult for us to add new customers to our customer base. Our efforts to retain existing customers and acquire new customers require a significant investment in building and maintaining customer relationships.

28. ***Our success largely depends upon the knowledge and experience of our Promoters, Directors and Key Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Directors or Key Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, operations and financial conditions.***

We depend on the management skills and guidance of our Promoters, Directors and Key Management Personnel for development of business strategies, monitoring its successful implementation and meeting future challenges. The success of our business is dependent upon its ability to attract and retain qualified and experienced staff (including senior and middle management with professional qualifications). We are led by a dedicated senior management team with several years of industry experience. In addition, we have an experienced and qualified team of employees. We are dependent on our experienced Promoters, management team and employees and also the ability to attract, retain and motivate skilled personnel to effectively implement our Company's strategy and serve our customers. For instance, our Promoter and Executive Chairman, Ramakrishnan Sivaswamy Iyer, who has over 39 years of entrepreneurial experience in the shipping and logistics industry, has made our Company reach heights in the field of multimodal global logistics solutions industry and in the circumstances which cause his dissociation with us, our Company would be heavily affected in terms of strategy and strengths of business. For instance, Ramakrishnan Sivaswamy Iyer, was a director on the board of Transworld Cultural and Sports Foundation and was disqualified by the MCA to be director under Section 164(2)(a) of the Companies Act, 2013, on account of failure by Transworld Cultural and Sports Foundation to file its annual returns for Fiscals 2012, 2013, 2014 and 2015. Given the necessary annual return filings have now been made by Transworld Cultural and Sports Foundation, while we believe that the disqualification ceased to exist, we cannot assure you when the records of MCA will be updated in this regard.

Many of our personnel possess skills that would be valuable to other companies engaged in one or more of our business lines. Whilst we offer compensation in line with the demand for such skills some of our competitors may be able to pay our employees more than we are able to pay to retain them. Our ability to profitably operate is substantially dependent upon our ability to locate, hire, train and retain our personnel. We may, therefore, incur additional costs in order to attract talented individuals and to retain existing experienced staff. Although we have not experienced difficulty locating, hiring, training or retaining our employees to date, there can be no assurance that we will be able to retain our current personnel, or that we will be able to attract and assimilate other qualified personnel in the future. If we are unable to attract or retain qualified and experienced staff, our ability to operate and expand our business may be affected, and our operating costs may increase. Our inability to recruit and retain qualified and experienced staff may limit our competitiveness, interrupt our operations and/or cause customer dissatisfaction, any of which could reduce our revenues and profitability.

29. ***The Promoter Group of our Company does not include certain individuals and entities in which such individuals may have any direct or indirect interest as of the date of filing of this Draft Red Herring Prospectus, as a result of***

***which certain individual persons will be excluded from the Promoter Group and certain entities will be excluded from the Promoter Group and Group Companies.***

The Promoter Group of our Company as disclosed in "*Our Promoters and Promoter Group*" beginning on page 186, does not include names of certain of the immediate relatives of our individual Promoters and entities in which they may have any direct or indirect interest as of the date of this Draft Red Herring Prospectus. Further, the Group Companies of our Company as disclosed in "*Our Group Companies*" beginning on page 188, does not include the names of certain of the disassociated entities. For further details in respect of such disassociation, see *Our Promoters and Promoter Group – Promoter Group*" beginning on page 186. Our Company is not in a position to obtain necessary information and confirmations as required from the "Promoter Group" and "Group Companies", from such immediate relatives and the disassociated entities for inclusion in this Draft Red Herring Prospectus, in light of the disassociation of our Company from the immediate relatives.

***30. We operate in a highly competitive environment and may not be able to maintain our market position which may adversely affect our market position and business.***

The logistics industry is exposed to competition from a number of international and domestic third-party logistics service providers. We may also face competition from new entrants into the logistics service industry. If we cannot maintain, or gain, sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete effectively. Further, if we cannot maintain cost competitiveness within the third-party logistics industry, including, in the event we choose to expand and incur excessive fixed costs or if we experience a disproportionate increase in costs in comparison to our competitors, our customers could choose to service their third-party logistics needs with our competitors rather than us. Thus our operations and financial conditions are sensitive to, and may be materially and adversely affected by, competitive pricing and other factors.

Our competitors may enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage of such combinations or alliances. In addition, our competitors may significantly increase their advertising and brand building activities to promote their brand, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which may have an adverse effect on our business, operations and financial conditions. Our inability to compete effectively could affect our ability to retain our existing clients or attract new clients which may in turn materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

***31. Our Company does not have records of certain of the form filings made by our Company with the RoC.***

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For instance, we are unable to trace certain corporate and other documents in relation to our Company, including the forms in respect of filing of the shareholders' resolution in case of increase in our authorised share capital and change in name of our Company upon conversion from private limited to public limited, either in our Company's records or in the records of the RoC. Despite having conducted a search of our internal records, we have not been able to retrieve the aforementioned documents. We cannot assure you that the abovementioned forms will be available in the future.

***32. We are yet to receive or renew certain approvals or licenses required in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.***

We require number of approvals, licenses, registrations and permissions for operating our businesses for which we may have either made or are in the process of making an application or renewal for obtaining necessary approvals. We may need to apply for additional approvals including the renewal of approvals which may expire from time to time, in the ordinary course of business. We have filed applications for shops and establishments registration for branches located in New Delhi and Ludhiana and application for renewal of trade license for branch located in Kolkata. Further, we have made applications for licenses to operate as a transporter of food products and food business operator (cold storage and refrigeration) with the Food and Drug Administration, Maharashtra under the Food Safety and Standards Act, 2006. These applications are pending approval as on date of this Draft Red Herring Prospectus. In light of the recent change in name of our Company, our Company has made and is in the process of making applications to relevant authorities to give effect to such change in our name in the approvals and registrations obtained by us. For further details pertaining to change in our name, see "*History and Certain Corporate Matters*" on page 159. For details of such pending approvals, including the approvals/ registrations that we have applied for or pending renewal or not applied for, see "*Government and Other Approvals*" on page 356.

In the event that we fail to obtain any such approvals or licenses, or renewals thereof, in a timely manner, or at all, our business could be adversely affected. We cannot assure you that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to comply with existing regulations, or any change in existing regulations and compliance requirements, could subject us to penal actions including termination of our business and monetary fines and/or increase our compliance costs and in turn, adversely affect our business or results of operations.

***33. We have delivered consistent financial performance in the past, however, we may not be able to manage the growth of our business effectively or continue to grow our business at a rate similar to what we have experienced in the past.***

We have witnessed significant growth in our business operations over the past few years as is evident from the increase in our consolidated revenue from operations to ₹ 13,990.51 million in Fiscal 2018 from ₹ 8,873.82 million in Fiscal 2015 at a CAGR of 12.05% from Fiscal 2015 to Fiscal 2018. However, we cannot assure you that our growth will continue at a rate similar to what we have experienced in the past. In addition to the foregoing, our business strategy along with steps taken by us to venture into new services to provide end-to-end logistics services may challenge our ability to maintain our customer base, quality standards, operate in geographies where we have limited experience and to achieve consistent growth standards in the services we have recently commenced business operations.

Our ability to execute our growth strategies will also depend, *inter alia*, on our ability to retain our customers, brand building, diversify and differentiate our multimodal solutions and pricing to compete effectively, and grow our logistics network. We cannot assure you that our current policies and systems will adequately address any of these business challenges. We may not be able to continue to grow our business which could materially and adversely affect our business, financial condition and results of operations.

***34. Our results of operations may be adversely affected by our inability to negotiate profitable contracts in relation to the contracts entered into by us with our related parties and other third party service providers, when we cannot decrease our costs of operations.***

We typically enter into for various outsourcing arrangements and contracts with our related parties and other third party service providers to further our day-to-day business operations. Our inability to procure any such contracts on pricing terms acceptable to us, or at all, may have an adverse effect on our results of operations. Although, we generally endeavour to obtain favourable pricing terms in arrangements and contracts for availing port services, operating assets, including deployment of additional vehicles and containers, enabled with inventory management, etc., demand and market conditions at the time of negotiating such contracts may result in us accepting less favourable pricing terms. Failure to obtain favourable pricing terms in relation to such arrangements and contracts, particularly when a market is at its inflection point, could lock us into low returns for the term of such contract and have an adverse effect on our financial condition and results of operations.

***35. Failure in maintaining the requisite standard for storage of perishable products stored with us or transported by us could have a negative effect on our business.***

In our temperature-controlled logistics operations, we are required to maintain the requisite standard for storage of perishable products that we store and transport. We achieve this through various means, including by ensuring that our temperature-controlled facilities and warehouses adhere to specific storage requirements as required by our customers in terms of the agreements entered into with them. However, if we consistently, or frequently, fail to maintain the prescribed or requisite standards at our temperature-controlled facilities, we may be unable to retain our temperature-controlled logistics customers and warehousing facilities customers which will have an adverse effect on our business, growth prospects and our financial results. Under the terms of the agreements entered into with our temperature-controlled logistics customers, if the products delivered by us do not meet the requirements specified by our customers, then our customers may dispose of the products in a manner convenient to them, and the cost of such disposal may be adjusted from payments due to us.

Some of the products stored and/or transported by us are perishable in nature. In the event that we fail to maintain the prescribed and/or requisite standards of storage or if the integrity of products that are stored or distributed is compromised, we could be in breach of our contractual obligations to our customers which could lead, among other things, to monetary damages.

***36. We have entered into and will continue to enter into, related party transactions.***

We have entered into and may in the course of our business continue to enter into transactions specified in the financial results contained in this Draft Red Herring Prospectus with related parties that include certain of our Promoters and companies forming part of our Group Companies. For further details in relation to our related party transactions, see "*Related Party Transactions*" on page 199. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

***37. Certain of our debt financing agreements contain restrictive covenants that may adversely affect our business, credit ratings, prospects, results of operations and financial condition.***

Certain debt financing agreements that we have entered into contain restrictive covenants and/or events of default that limit our ability to undertake certain types of transactions. Certain of our debt financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions, including in respect of change in capital structure, shareholding pattern and alteration of our constitutional documents. These debt financing agreements also require us to maintain certain financial covenants including in relation to maintenance of minimum net debt to EBITDA ratio, EBITDA margin and minimum tangible net worth. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lenders for, amongst others:

- for effecting any change in shareholding pattern or capital structure;
- for effecting any alteration to the constitutional documents of our Company;
- for undertaking any further capex except being funded by Company's own resources; and
- for availing any additional borrowing by our Company.

We cannot assure you that we have complied with all such restrictive covenants in a timely manner or at all or that we will be able to comply with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our debt financing agreements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of default interest, acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Any acceleration of amounts due under such debt financing agreements may also trigger cross-default or cross-acceleration provisions under our other debt financing agreements. If the obligations under any of our debt financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such debt financing agreements, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or may face difficulties raising, further financing. In addition, in such eventuality, other third parties may have concerns over our financial position. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

***38. We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our financial condition.***

As of Fiscal 2018, our Restated Consolidated Financial Statements disclosed and reflected the following contingent liabilities:

| Particulars | | Amount (in ₹ million) |
|---|---|---|
| (i) | Claims against the Group not acknowledged as debt: | |
| | *Matters related to service tax* | 901.15 |
| | *On account of disputes in respect of sales tax /VAT* | 0.44 |
| | *Matters related to income tax* | 69.21 |
| (ii) | Bank guarantees | 21.42 |
| **Total** | | **992.22** |

For further details of certain matters which comprise our contingent liabilities, see "*Financial Statements*" beginning on page 201.

***39. Our business is based on the trust and confidence of our customers and any damage to that trust and confidence whether in relation to our personnel or our brand may materially and adversely affect our business, financial performance and results of operations.***

We are dedicated to earning and maintaining the trust and confidence of our customers, and we believe that the good reputation created thereby, and inherent in the "Transworld" brand name, is essential to our business. As such, any damage to our reputation, or that of the "Transworld" brand name, could substantially impair our ability to maintain or grow our business. In addition, any action on the part of any of the companies in the Transworld group that negatively impacts the "Transworld" brand could have a material adverse effect on our business, financial condition and results of operations.

***40. Our insurance coverage could prove inadequate to cover our losses. If we were to incur a serious uninsured loss or a loss that significantly exceed the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.***

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affecting our warehouses or in the regions/areas where we operate from. We maintain what we believe to be appropriate insurance coverage, commensurate with industry standards in India, in relation to property, stock and money for our warehouses, transit insurance, there are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We may face losses in the absence of insurance and even in cases in which any such loss may be insured, we may not be able to recover the entire claim from insurance companies. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us.

While we believe that we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain losses which may not be covered by our Company, which we have not ascertained as at date. Further, while there has been no past instance of inadequate insurance coverage for any loss, we cannot assure that we will continue to accurately ascertain and maintain adequate insurance for losses that may be incurred in the future. For more details on the insurance policies availed by us, see *Our Business - Insurance*" on page 153.

***41. We are susceptible to risks relating to interruptions and disruptions at our logistics and warehousing facilities.***

The operations at our various logistics and warehousing facilities may also subject to various operating risks such as the breakdown or failure of equipment, power supply or processes, natural disasters and accidents. Any interruption of our operations at our various logistics and warehousing facilities could significantly reduce our ability to manage and carry out our business operations. If prolonged, such interruption could impact our ability to service our clients and our business, financial condition and results of operations may be materially and adversely affected.

***42. We will continue to be controlled by Transworld Holdings, our Promoter after the completion of the Issue.***

As of the date of this Draft Red Herring Prospectus, Transworld Holdings, our Promoter holds 70.78% of our entire pre-Issue share capital. Furthermore, after the completion of this Issue, Transworld Holdings will control, directly or indirectly, more than [●]% of our outstanding Equity Shares. As a result, Transworld Holdings will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Transworld Holdings may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

In addition, and in the event of any such change of control, merger, consolidation, takeover or other business combination involving us, a transfer of shares by Transworld Holdings, or actions such as a preferential allotment to any investor or a conversion of any convertible instruments which could result in us ceasing to be a part of the Transworld group, our ability to leverage the "Transworld" brand may be adversely affected and the benefits of being a Transworld group company, which includes access to capital and human resources (particularly key managerial personnel and other employees who are deputed to our company), access to the global network of Transworld Holdings, various operational synergies and our ability to leverage business from other Transworld group companies, may no longer be possible and as a result of which, could materially and adversely affect our business, financial performance and results of operations.

We cannot assure you that Transworld Holdings will act in our interest, or in the interests of minority shareholders, while exercising their rights in such entities.

***43. Certain of our existing shareholders together may be able to exert substantial voting control over our Company after completion of the Issue, which may limit your ability to influence the outcome of matters submitted for approval of our shareholders.***

Following the completion of the Issue, certain of our existing shareholders will continue to hold substantial portion of our post-Issue Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholder approval. These existing shareholders will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any assignment or transfer of our interest in any of our licenses. In addition, if our shareholders do not act together, such matters requiring shareholder approval may be delayed or not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to provide any business opportunities to us. If such other shareholders invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, financial condition, cash flows and results of operations. We cannot assure you that our existing shareholders will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

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

We may consider making strategic acquisitions of other companies whose resources, capabilities and strategies are complementary, and are likely, to enhance our business operations. Our Board may identify suitable acquisition or investment opportunities and in the event we do identify such suitable opportunities, we cannot assure you that we will complete those transactions on terms commercially acceptable to us or at all, which may adversely affect our competitiveness and growth prospects.

***45. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements and capital expenditures.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditures. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. For details of dividend paid by our Company in the past, see "*Dividend Policy*" on page 200.

***46. Our Company has issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price.***

Our Company has issued Equity Shares in the last 12 months, which may be at a price lower than the Issue Price. For further details, see "*Capital Structure – Notes to the Capital Structure*" beginning on page 72.

***47. We may be subject to labour unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. We cannot assure you that our employees will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. We also cannot assure you that we will not experience disruptions in our work due to disputes or other problems with our workforce. Our business partners may also be susceptible to similar risks, which could in turn adversely affect our operations.

In the event that employees at our facilities seek to unionise, it may become difficult for us to maintain flexible labour policies which may increase our costs and adversely affect our business. Further, a potential increase in the salary scale of our employees or the disruption in services due to any potential strikes, may affect our business operations.

We operate on the basis of an "asset-light" business model pursuant to which we outsource a portion of our operations to independent contractors for certain of our businesses. Engagement of such labour is regulated by applicable labour laws in India and we may be held responsible in the event of any default by the independent contractor engaged by us in making payment of wages or providing benefits such as payment of, or contribution to, provident fund. Any adverse decision by a regulatory body or court requiring us to fund such payments or employ such contract labour may materially and adversely affect our business, operating margins, results of operations and cash flows.

***48. We have commissioned industry reports from certain agencies, which have been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us.***

We have commissioned the CRISIL Report. The reports use certain methodologies for market sizing and forecasting. Neither we, nor any of the BRLMs have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Such data may also be produced on different bases from those used in the industry publications we have referenced. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For further details, see "*Certain Conventions, Presentation of Financial, Industry and Market Data*" and "*Industry Overview*" beginning on pages 11 and 98, respectively.

***49. The audit reports on the standalone and consolidated financial statements issued by previous auditors were modified and included certain qualifications.***

The audit reports on the standalone and consolidated financial statements for Fiscal 2016 were modified and included following qualifications for Fiscal 2016 (i) Our Company paid a custom duty of ₹ 12.44 million in respect of containers taken on lease by them from third parties and there is unrecognized expenditure of ₹ 11.10 million as of March 31, 2016. Our Company is charging off this amount over the remaining period of lease which is not in accordance with the Accounting Standards issued by the ICAI. As a result, short term loans and advances are overstated by ₹ 1.71 million, long term loans and advances are overstated by ₹ 9.39 million and expenditure is understated. Further, profit before tax is overstated by ₹ 11.10 million and profit after tax and reserves is overstated by ₹ 7.43 million for fiscal 2016; and (ii) Our Company did not have appropriate internal controls as prescribed in the report on the internal financial controls over financial reporting, in the area of financial closing process as on March 31, 2016. This has been identified as a material weakness in the operating effectiveness of our internal financial controls over financial reporting as at December 31, 2015. Our Company outsourced the process of implementing such internal controls and is using the Oracle ERP software with effect from January 1, 2016. For further details, see "*Financial Statements*" on page 201. We cannot assure you that our audit reports for any future fiscals will not contain qualifications, emphasis of matters or other observations which affect our results of operations in future periods.

***50. Some of our lease agreements may have certain irregularities.***

Our Company has entered into certain lease agreements and leave and license agreements that have not been registered, or are not adequately stamped, including the lease agreement in respect of our Registered Office and Corporate Office. Accordingly, such documents may not be produced for enforcement before a court of law until the applicable stamp duty, registration charges, and consequent penalties are paid on such documents. Accordingly, we may be required to incur additional costs in order to adjudicate these agreements before relevant authorities. Further, this may affect our ability to renew such agreements or result in us being required to enter into an agreement for a new facility and consequently, we may experience business disruption. This may affect our business, financial condition and result of operations.

***51. Certain premises including our Registered Office and Corporate Office are not owned by us and we have only lease rights over it. In the event we lose such rights or are required to negotiate it, our cash flows, business, financial conditions and results of operations could be adversely affected.***

Our Registered and Corporate Office are not owned by us and are located at premises taken by us on lease. Any of these lease or license agreements can be terminated, and any such termination could result in any of these offices being shifted or shut down. There can be no assurance that we will, in the future, be able to retain and renew the leases for the existing locations on same or similar terms, or will be able to find alternate locations for the existing offices and operating locations on similar terms favorable to us, or at all.

If we are unable to continue to use our offices, operating locations, our Registered Office and Corporate Office during the period of the relevant lease, be able to extend such lease arrangements on their expiry on commercially acceptable terms, or at all, or are unable to find suitable premises for relocation of existing offices and operating locations, in time or at all, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition and results of operations.

***52. Certain of our Group Companies have incurred losses in Fiscal 2017, based on their latest audited financial statements available.***

Certain of our Group Companies have incurred losses in Fiscal 2017, based on their latest audited financial statements available. For further details, see "*Our Group Companies – Loss making Group Companies*" on page 198. We cannot assure you that our Group Companies will not incur losses in the future.

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

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

54. ***We have experienced negative cash flows in the past. Any such negative cash flows in the future may adversely affect our business, financial condition, results of operations and prospects.***

We had negative cash flows from investing activities and financing activities for certain of the following periods as set out below:

*(in ₹ million)*

| Consolidated | Fiscal | | |
|---|---|---|---|
| | 2018 | 2017 | 2016 |
| Net cash from operating activities | 579.44 | 523.61 | 294.48 |
| Net cash used in investing activities | 29.50 | 7.12 | (109.23) |
| Net cash used in financing activities | (452.64) | (513.04) | (242.49) |
| Net increase in cash and cash equivalents | 156.30 | 17.69 | (57.24) |
| Cash and cash equivalents as at beginning of year | 62.46 | 47.10 | 98.03 |
| Cash and cash equivalents as at end of year | 218.83 | 62.46 | 47.10 |

For details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 201 and 324, respectively. We cannot assure you that our net cash flow will be positive in the future or that we shall generate profits in future.

**External Risk Factors**

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors, including political instability, terrorism or military conflict, global economic uncertainty and liquidity crisis and volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Further, a change in the government or a change in the macro-economic policies may adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular. High rates of inflation in India may increase our costs without proportionately increasing our revenues thereby decreasing our operating margins which may adversely affect our business, financial conditions and results of operations.

56. ***Various trade restrictions and sanctions may materially and adversely affect our business, financial condition and results of operations.***

We are engaged in the business of multimodal logistics, including road, rail and water, regional liner, supply chain management and cold chain in India and abroad. Our business may be affected by trade restrictions implemented by countries or territories in which our customers are located or in which our customers' products are manufactured or sold. Further, we are subject to risks relating to changes in trade policies, tariff regulations, embargoes, additional import duties, ban of import/export of certain goods or other trade restrictions which can adversely impact trade volume between countries and within the country. At an international level, there may be trade restrictions imposed on sanctioned countries by other countries and international organisations, which may affect our business. Actions by governments and other regulatory authorities that result in restrictions on movement of goods may adversely affect the ability of our customers to transport cargo from one destination to another, which in turn may impede our ability to provide logistics services to our customers. In the past, the Indian Government has imposed restrictions on the export of agri-products such as rice and onion to control inflation in the country. Such restrictions have adversely affected volumes of trade of agri-products. In addition, international trade, political issues and conflicts may cause delays and interruptions to cross-border transportation and result in limitations on our geographical coverage. If we are unable to perform our services to and from countries with trade restrictions in a timely manner or at all, it may lead to a decrease in our operating margins which may adversely affect our business, financial conditions and results of operations.

57. ***Financial instability in other countries may cause increased volatility in the Indian financial markets. In the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruptions, such conditions may materially and adversely affect our business, future financial performance and the trading price of the Equity Shares.***

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

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the more recent European sovereign debt crisis, has led to increased liquidity and credit concerns and volatility in the global credit and financial markets. These and other related events have had a significant adverse effect on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. Recent concerns relating to the U.S. Federal Reserve's decision to raise interest rates in the United States have led to increased volatility, particularly in the stock and currency markets in emerging economies. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects, and therefore, if such liquidity and credit concerns, financial volatility or disruptions occur again, our business, our future financial performance and the prices of the Equity Shares may be adversely affected. Further, in the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruption, our lenders may implement new credit policies, adopt new pre-qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs. Such conditions may material and adversely affect our business, future financial performance and the trading price of the Equity Shares.

58. ***The occurrence of natural or man-made disasters may adversely affect our business, results of operations and financial condition.***

Given the nature of our operations and the mobility required in meeting customer demands, the occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. We are particularly susceptible to accidents, system failures, adverse geological, ecological or weather conditions, natural disasters, demographic and population changes and other unforeseen events and circumstances across India. While we are covered by our insurance policies for such contingencies, any disruptions, damage or destruction of our facilities may temporarily affect our ability to meet our clients' demand and the loss of any one of our key clients or a significant reduction in demand from clients located in these locations may adversely affect our business, results of operations and financial condition.

59. ***Terrorist attacks, communal disturbances, civil terrorist attacks and other acts of violence or war involving may adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. Some of the locations we operate in have witnessed civil unrest including communal disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events may have a negative impact on us. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares.

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

***60. It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.***

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and most of our Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

Recognition and enforcement of foreign judgements are provided for under Section 13 of the Civil Procedure Code ("**CPC**") on a statutory basis. Section 13 of the CPC provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, except (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; or (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, including the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely on the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under FEMA to execute such a judgement or to repatriate any amount recovered.

***61. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.***

The Competition Act, was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset- and turnover-based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it may adversely affect our business, financial condition, cash flows, results of operations and prospects.

***62. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.***

Our Restated Financial Statements as of and for the Fiscals 2018, 2017, 2016, 2015 and 2014 included in this Draft Red Herring Prospectus have been prepared under Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable. The financial statements for Fiscals 2018, 2017, 2016, 2015 and 2014 have been compiled from the audited standalone and consolidated financial statements of our Company for the respective years under the previous generally accepted accounting principles followed in India ("**Indian GAAP**").

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, we have presented reconciliation from Indian GAAP to Ind AS. Please refer to "*Financial Statements*" beginning on page 201. Except as otherwise provided in the Restated Financial Statements with respect to Indian GAAP, no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base the information on any other standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

In addition, our Restated Financial Statements may be subject to change if new or amended Ind AS accounting standards are issued in the future or if we revise our elections or selected exemptions in respect of the relevant regulations for the implementation of Ind AS.

***63. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.***

Having our business operations in multiple jurisdictions, we are subject to varying central and state tax regimes. The applicable categories of taxes and tax rates also vary significantly from jurisdiction to jurisdiction, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each country as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditure incurred. Our business and financial performance may be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business or the regulator enforcing them in any one of those countries may adversely affect our results of operations. For instance, as of July 1, 2017, GST in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India, which we believe will result in fundamental changes to India's third-party logistics industry.

To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. See "*Statement of Special Tax Benefits*" beginning on page 95 for details in relation to possible tax benefits available to our Company. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

***64. Our business and the price of the Equity Shares may be adversely affected by the implementation of GAAR.***

The Government of India has also proposed provisions relating to GAAR which came into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests:

(i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length;

(ii) results in misuse, or abuse, of the provisions of the tax laws;

(iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or

(iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes.

The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the assessee, i.e., an arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit. If GAAR provisions are invoked, then the tax authorities will have wide powers, including denial of tax benefit or a benefit under a tax treaty which may have an adverse tax impact on us.

***65. Public companies in India, including our Company, are required to compute income tax under the ICDS. The transition to ICDS in India is very recent and we may be negatively affected by such transition.***

The Ministry of Finance had issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. However, the Central Board of Direct Taxes ("**CBDT**"), Ministry of Finance of India, according to its press release dated July 6, 2016, had deferred the applicability of the ICDS with fiscal 2017 being the first assessment year. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and IND AS. It is often seen that ICDS based calculations of taxable income can differ from Indian GAAP or IND AS-based concepts and they can have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operation and financial conditions.

***66. Any further downgrading of our debt ratings or of India's sovereign debt rating may adversely affect our business.***

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

***67. The ability of Indian companies 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, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

***68. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**Risks Relating to the Equity Shares and the Issue**

***69. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. Further, the trading prices of publicly traded securities may be highly volatile. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors:

a) volatility in the Indian and global securities markets;

b) increases and decreases in our customer base or announcements of new services, strategic alliances or agreements by us or by our competitors;

c) speculation in the press or investment community about, or actual changes in, our business, strategic position, market share, organizational structure, operations, financial condition, financial reporting and results, prospects, or executive team;

d) changes in estimates of our performance by financial or securities analysts that elect to research and report on the Equity Shares or guidance provided by us, and variations between actual and estimated financial results;

e) new laws and government regulations applicable to the industry we operate in;

f) additions or departures of key management personnel;

g) announcements by third parties of significant claims or proceedings against us

h) significant developments in India's economic liberalization and deregulation policies or significant developments in India's fiscal regulations or adoption or modification of regulations, policies, procedures or programs applicable to our businesses; or

i) adverse media reports on us or the sector we operate in.

General or industry-specific market conditions or stock market performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of our Equity Shares. If the stock markets experience a loss of investor confidence, the trading price of our Equity Shares may decline for reasons unrelated to our business, financial condition or operating results. Each of these factors, among others, may adversely affect the trading price of our Equity Shares.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such preemptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution.

However, if you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company may be reduced.

***71. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

***72. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

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

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other significant shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt or equity financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares. We cannot assure you that we will not offer Equity Shares or that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

74. ***We may not receive final listing and trading approvals from the Stock Exchanges and you will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you are allotted in the Issue.***

Under the SEBI ICDR Regulations, we are permitted to list the Equity Shares within six working days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your dematerialized electronic account with Depository Participants until approximately six working days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialized electronic account and final listing and trading approvals are received from the Stock Exchanges. In accordance with Indian law and practice, final listing and trading approval of our Equity Shares will not be applied for, or granted until after those Equity Shares have been offered and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

Further, there can be no assurance that the Equity Shares allocated to you will be credited to your dematerialized electronic account, or that trading in the Equity Shares will commence within the specified time periods. In addition, pursuant to India regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors' book entry or dematerialized electronic accounts with Depository Participants in India are expected to be credited only after the date on which the Issue and allotment is approved by our Board of Directors. There can be no assurance that the Equity Shares allocated to prospective Investors will be credited to their dematerialized electronic accounts, or that trading will commence on time after allotment has been approved by our Board of Directors, or at all.

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

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

**Prominent Notes:**

1. Our Company was originally incorporated as Shreyas Shipping Services (India) Private Limited on March 17, 1994 at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the RoC. Subsequently, the name of our Company was changed to Shreyas Relay Systems Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on December 29, 2004. Further, upon conversion from a private limited company to a public limited company, the name of our Company was changed to Shreyas Relay Systems Limited and a fresh certificate of incorporation consequent upon conversion and change of name was granted by the RoC on May 6, 2005. Subsequently, the name of our Company was changed to Avana Logistek Limited and a fresh certificate of incorporation consequent upon change of name was granted by RoC on April 17, 2018. For details pertaining to the changes in our name and the address of our Registered Office, see "*History and Certain Corporate Matters*" beginning on page 159.

2. The Issue is an initial public offer of up to [●] Equity Shares of ₹ 5 each, at an Issue Price of ₹ [●] per Equity Share for cash at price of ₹ [●] (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million. The Issue comprises a Fresh Issue of up to [●] Equity Shares aggregating to ₹ 3,000 million and an Offer for Sale of up to 4,300,000 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders.

3. As of Fiscal 2018, our net worth was ₹ 1,515.85 million and ₹ 4,004.18 million as per the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements, respectively. As of Fiscal 2018, the net asset value per Equity Share was ₹ 42.19 and ₹ 111.45 as per the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements, respectively. For details, see "*Financial Statements*" beginning on page 201.

4. There have been no financing arrangements whereby our Promoter Group, the directors of our Promoters, our Directors and their relatives (as defined in the Companies Act, 2013), have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

5. Except as disclosed in "*Our Group Companies*" and "*Related Party Transactions*" beginning on pages 188 and 199, respectively, our Group Companies do not have business or other interests in our Company.

6. For details of related party transactions entered into by our Company with our Subsidiaries and our Group Companies in the last Fiscal, including the nature and cumulative value of such transactions, see "*Related Party Transactions*" beginning on page 199.

7. The investors may contact any of the Book Running Lead Managers for any complaints, information or clarifications pertaining to the Issue. For details of the Book Running Lead Managers, see "*General Information*" beginning on page 64.

8. The details of average cost of acquisition of Equity Shares by our Promoters is set out below:

| Name of Promoter | Average cost of acquisition per Equity Share (in ₹) |
|---|---|
| Transworld Holdings | 141.14 |
| Shreyas Shipping | 9.05 |

For details, see "*Capital Structure - History of the Equity Share Capital held by our Promoters*" on pages 73 and 74.

## SECTION III: INTRODCTION

## SUMMARY OF INDUSTRY

*The information contained in this section is derived from the CRISIL research report titled "Market assessment of India's logistics industry with focus on integrated container logistics" published in May 2018, ("**CRISIL Report**"), and other publicly available sources. Neither we, nor any other person connected with the Industry has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

*Some of the information contained in the following section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 14 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" beginning on page 15 for a discussion of certain factors that may affect our business, financial condition or results of operations.*

### The Indian economy

***India's economic growth to pick-up pace in Fiscal 2019***

CRISIL Research believes real gross domestic product ("**GDP**") growth will rebound to 7.5% in Fiscal 2019 from 6.5% in Fiscal 2018, as disruptions from the implementation of the Goods and Services Tax ("**GST**") fade and a low base helps. Growth will continue to be consumption-led with interest rates remaining soft and inflation under control. State-level implementation of the Seventh Pay Commission hikes will be an additional booster. Growth will also be mildly supported by public spending (with a rural focus) in infrastructure, especially roads.

### The Indian logistics industry

***Transportation accounts for majority of the logistics spend***

As per the Ministry of Road Transport and Highways, India's logistics cost as a % of GDP stood at 13-14% compared to 10-11% for BRIC countries and 8-9% for developed countries. Going forward, the logistics cost as a % of GDP for India is expected to decline driven by initiatives such as Implementation of GST, investments towards road infrastructure, development of inland waterways and coastal shipping, thrust towards dedicated freight corridors etc.

In logistics, the market size of key segments - road freight, rail freight, coastal freight, warehousing, cold chain and container freight stations ("**CFS**") and inland container depots ("**ICD**") is estimated to be ₹ 6.4 trillion in Fiscal 2017. This is expected to grow at a CAGR of ~13.0% to ₹ 9.2 trillion by Fiscal 2020.

The logistics market is dominated by freight transportation, which accounts for approximately 88%, and its share is expected to remain high till Fiscal 2020.

### The coastal mode of transportation

***Coastal route, as an economic and environment friendly mode, can decongest road and rail; holds significant potential***

Roads share in ground freight in the past five Fiscals has remained stagnant at 36-38% in the overall modal mix. However, the share of coastal shipping has improved marginally by 50-100 basis points due to increase in transportation of bulk commodities across select routes. Additionally, the share of non-bulk and containers in coastal shipping although low at present, is growing at a steady pace.

By Fiscal 2023, share of coastal mode will increase by another 50-100 basis points from current levels, largely driven by coastal transportation of bulk as well as non-bulk commodities. Uptick is expected to be driven by coastal movement of thermal coal, iron ore and petroleum oil and lubricants ("**POL**") commodities, which together comprise of more than three-fourth of coastal volumes. Containerised movement of fertilisers, steel, food grains and other non-bulk items would also support the same. In case of the pipeline mode, the increase in share will be slower than past, due to the slow growth in the refineries market.

***Coastal shipping is a cheaper and environment-friendly mode***

As per a March 2017 PIB release, pre-tax freight rates for road and rail are ₹ 2.50 per tonne km and ₹ 1.36 per tonne km, respectively. Moving raw materials and finished products using coastal shipping and inland waterways is 60-80% cheaper than road or rail transport. As a thumb rule, road is cost-competitive for 250-300 km, railways for 250-800 km, and ocean transportation is cheapest for distances greater than 800 km.

Besides being cheaper, sea-based transportation is the most environment-friendly among surface transportation modes. As per a 2013 National Transport Development Policy Committee ("**NTDPC**") report, carbon dioxide emissions for road were 59 grams per tonne km, followed by rail at 21 grams per tonne km. Shipping contributes the lowest in carbon dioxide emissions at 10 grams[1] per tonne km.

**Domestic coastal container market**

***Strong growth in coastal container traffic, led by building materials and agro products***

The Indian coastal container market, though still nascent in terms of volumes, has grown rapidly in the past four to five years, *vis-à-vis* export-import ("**EXIM**") container volumes. While overall container volume clocked ~6% CAGR between Fiscals 2012 and 2017, coastal container traffic registered 25-30% growth. Key drivers for this expansion were containerisation across key non-bulk commodities that were historically transported by sea, and the expanded basket of commodities utilising integrated container logistics.

***Roads dominate inland movement of coastal containers***

Roads dominate the inland container movement of both EXIM and coastal containers. In the case of coastal container movement, the share of roads was ~90% in Fiscal 2017. Roads have a higher share in coastal containers *vis-à-vis* EXIM containers, as last-mile and first-mile connectivity movements for coastal container movements are typically 200-300 km, where roads are a cost-competitive mode of transport. Railways are generally used for longer distances.

***Seamless integration of inland logistics – key success factor for container logistics providers utilising coastal routes***

First- and last-mile connectivity is an essential enabler for coastal container movement, enabling streamlined and timely movement across hinterland locations, utilising coastal routes. Typically, players providing coastal container services engage with channel partners for first/last mile connectivity. A relationship with an established channel partner becomes a critical success factor for the entire integrated container logistics service.

**Container logistics providers**

***Integrated container logistics providers operating on coastal routes***

| Stakeholder segment | Key players (loaders) | Key operations |
|---|---|---|
| Integrated domestic container logistics providers primarily utilising coastal routes | Integrated players, as:<br>• Avana Logistek<br>• Transport Corporation of India Limited ("**TCI**"). However, TCI operates limited coastal services, across select routes | End-to-end movement of domestic containers, through synchronous arrangement with ship owners running coastal services.<br><br>They book cargo space on coastal container services of ship owners, and manage port clearance/storage and also arrange for last/first mile transportation of cargo.<br><br>Gamut of services can include end-to-end movement or combination of service(s). |

While Avana Logistek is an integrated container logistics player operating on coastal routes with wider reach, other players are mainly into different segments of coastal container value chain.

***Key integrated domestic container logistics providers (loaders) primarily utilising coastal routes***

| Player | Services | Key partners: Ship owners, etc. |
|---|---|---|
| Avana Logistek Limited, part of Transworld group | Offers integrated container logistics services on coastal routes (including first mile and last mile connectivity), through booking space with ship owners | Shreyas Shipping and Logistics Limited ("**SSLL**"), part of Transworld group; Sima Marine India Private Limited; Shipping Corporation of India among others |

[1] *Emission are considered as follows, road (truck/trailer), rail (diesel powered train) and ship (10,000 TEU container ship)*

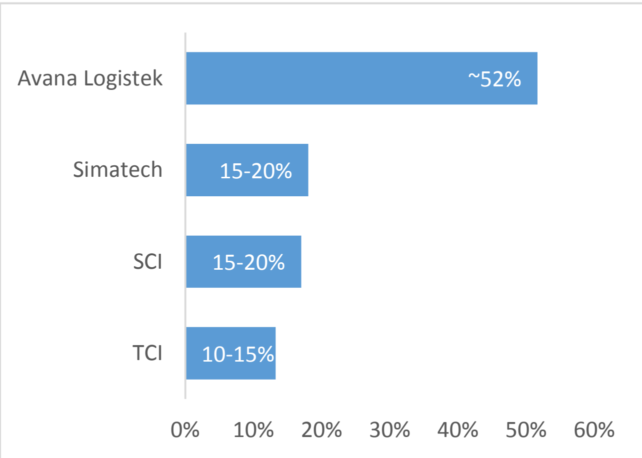
| Player | Services | Key partners: Ship owners, etc. |
|---|---|---|
| Shipping Corporation of India ("**SCI**"), Indian Shipping PSU | Offers only coastal container services across Indian coast | SCI is a ship owner, which operates two Indian flagged container ships, providing coastal services |
| Sima Marine (India) Private Limited ("**SMIPL**"), part of Simatech Shipping Line | Offers only coastal container services across Indian coast | SMIPL, is a ship owner, which has two Indian flagged vessels providing coastal services. Parent company Simatech Shipping provides EXIM container services at Indian ports |
| TCI Seaways | Limited coastal services, across select routes | TCI Seaways: Part of Transport Corporation of India ("**TCI**"), which is a logistics company, owning 2 vessels. It provides limited coastal services from Indian mainland to Andaman and Nicobar Islands |

*Source: Industry, Company documents, DG Shipping, CRISIL Research*

Key players in Indian container logistics operating on coastal routes are Avana Logistek – part of Transworld group, SMIPL – part of Simatech Shipping group, SCI and TCI.

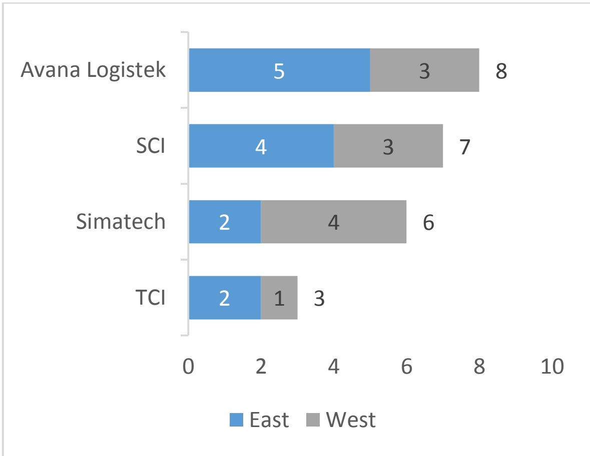
Avana Logistek has a significant market share in the segment followed by SMIPL, SCI and TCI.

**Share of players (loaders) in coastal container movement in TEU-volume terms (Fiscal 2018)**




*Source: RITASS, CRISIL Research*
*Note: this constitutes laden containers only excluding transhipment (coastal and EXIM)*

**Number of ports at which players (loaders) are present**




*Source: RITASS, CRISIL Research*

As per Avana Logistek's website, Avana Logistek, working in tandem with its parent companies, provides customised integrated transportation solutions to domestic and international clients. Avana Logistek also works with other coastal container shipping service providers through booking container space or providing last mile and/or first mile connectivity. The following table summarises different aspects of container logistics operators operating on coastal routes

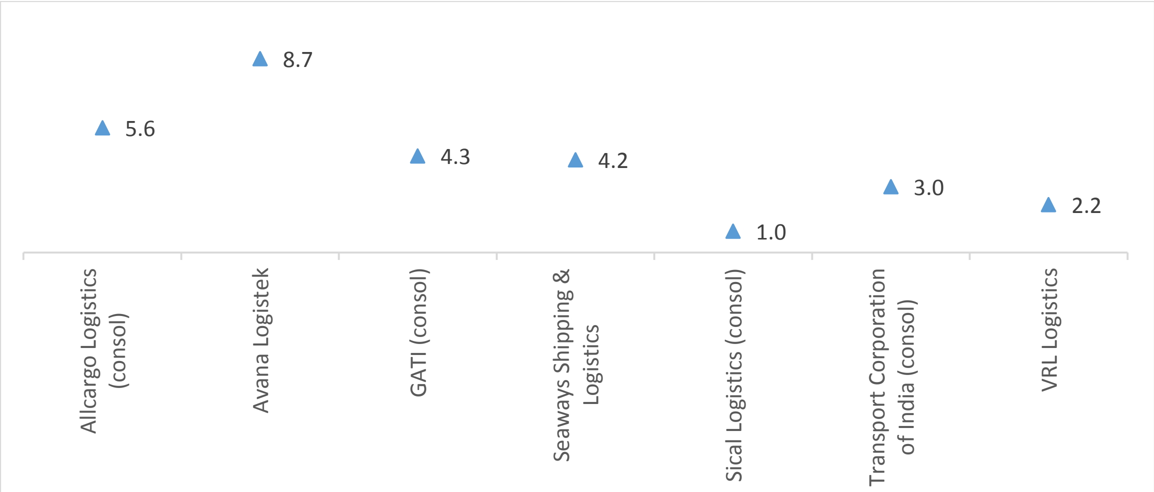
***Scope of services – key players in container logistics primarily operating on coastal routes***

| Company | First mile | Coastal | Last mile | Integrated | Parent group support – International | Parent group support – Domestic |
|---|---|---|---|---|---|---|
| SCI | | Coastal service provider | | | Limited international operations | |
| SMIPL | | Coastal service provider | | | Simatech Shipping (parent company) operates international services | |
| Avana Logistek | Through Avana Logistek | Booking space with container ship owners/operators (With a wider reach) | Through Avana Logistek | Door-to-Door service with wider reach, through | Avana Logistek's subsidiary, Avana Global FZCO – Regional liner | Group company, SSLL – Operates 13 Indian flagged vessels |

| Company | First mile | Coastal | Last mile | Integrated | Parent group support – International | Parent group support – Domestic |
|---|---|---|---|---|---|---|
| | operated vehicles | | operated vehicles | collaboration with ship owners | operating on India-GCC and India-SEA routes | on Indian coastal as well India-GCC route |
| TCI | Through TCI operated fleet | Limited coastal services, across select routes only | Through TCI operated fleet | | | Limited support through logistics operations of TCI |

*Source: Industry, Company documents, DG Shipping, CRISIL Research*

**Key players in Indian logistics sector (Fixed Asset Turnover, Fiscal 2016)**




*Higher Fixed Asset Turnover implies asset light nature and vice versa*
*Source: Company documents, MoC, CRISIL Research*

**Domestic multimodal container logistics market**

The domestic multimodal container logistics market on coastal routes comprises seaborne container movement, port handling, and first- and last-mile connectivity by road or rail. Of the overall market of ₹ 12-15 billion as of Fiscal 2017, the share of road and rail container transportation together was ~35%. Roads have a major share of container movement as containers are usually destined for discrete locations in the hinterland which are economically serviced by road. Also, cargo origins and destinations are typically 250-300 km from ports, making roads competitive.

**Coastal container traffic to grow at a 25-27% CAGR by Fiscal 2022; Market for Integrated container logistics providers operating on coastal routes to remain buoyant too**

CRISIL Research expects coastal container traffic, which is still evolving, to double in the next three years and expand at 25-27% CAGR by Fiscal 2022. Growth is driven by a supply-side push as well as demand potential. Clean bulk will drive growth in the near term, followed by volumes from the non-bulk category, along with support from existing cargo segments. The integrated coastal container logistics market will also triple by Fiscal 2022, driven by evolved end-to-end services by players. Rail can gain a marginal share in the modal mix, due to the aggregation of cargo from key clusters.

**Global scenario**

***GCC & SEA[2] countries account for 30% of the container trade with India***

In Fiscal 2017, India's trade accounted for ~29% of nominal GDP. From Fiscals 2012 to 2017, exports grew at a faster pace of 5% CAGR compared with 2% CAGR for imports, in rupee terms. This was mainly because of decline in crude oil prices, which forms a major portion of imports for the country. Even in dollar terms, exports for India declined at 2% CAGR whereas imports fell at 5% CAGR.

In terms of geographies, north-east Asia dominated India's trade with 20%, followed by West Asia–Gulf Cooperation Countries ("**GCC**") with 15% share in Fiscal 2017. Other key regions include the European Union, North America and ASEAN (Association of South-East Asian Nations), respectively.

[2] *Includes China, Singapore, Malaysia, and Vietnam only*

The GCC is a regional economic union consisting of several Arab states from the Persian Gulf. Its member states are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates ("**UAE**"). These countries form part of the oil exporters of the Middle East, North Africa, Afghanistan, and Pakistan ("**MENAP**") region, as classified by the International Monetary Fund.

In terms of regions, containerised trade with GCC and SEA countries (China, Malaysia, Singapore, Vietnam) accounts for 25-30%. Among these regions, while exports form a major part of containerised trade with GCC, imports dominate containerised trade with SEA countries.

However, the share of GCC and SEA countries in reefer containers is estimated to be higher at 40-50% in terms of volume due to the high amount of perishable cargo.

The Share of GCC countries in India's container trade has been 8-9 % during Fiscal 2016-2018 as India-GCC container trade grew at a CAGR of 3%, whereas the share of SEA countries has been slightly in the range of 18-20% due to better CAGR of 11% during the above period.

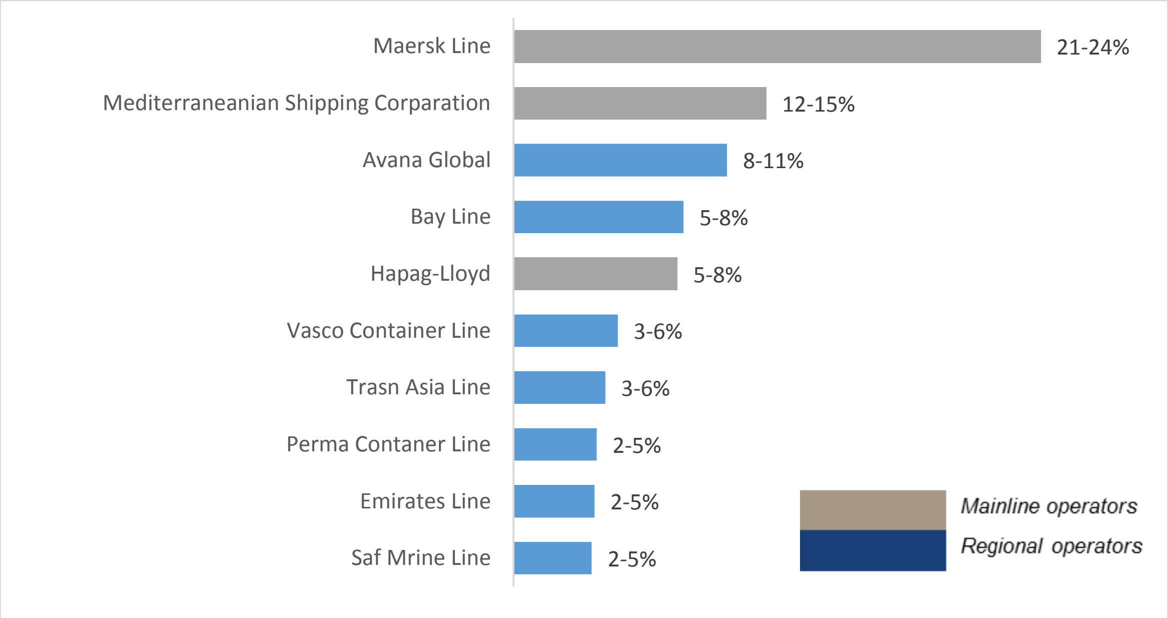
***UAE is best connected through shipping lines in West Asia and South Asia region***

Liner Shipping Connectivity Index ("**LSCI**"), captures how well a country is connected to global shipping networks. Among GCC countries, UAE is the best connected country in the region (West and South Asia), as assessed through liner shipping connectivity index of UNCTAD. Also in recent years, UAE has consolidated its position in Logistics Performance Index (LPI), a report released by World Bank, UAE's rank improved from 21 in calendar year 2014 to 13 in the year 2016.

***Regional liners have a significant presence on India-GCC route***

GCC region is a key trade partner of India, with India-GCC container trade accounting to ~10% of India's EXIM laden container trade. Jebel Ali is a key port for India, in the region, connected through direct (Middle East – Indian sub-continent route) well as feeder services. In Fiscal 2017, cargo transhipped through Indian major ports was ~89,000 TEU. Key regional liners such Avana Global FZCO, Bay Line, Perma Shipping, etc. have a significant presence on GCC ports.

**Market share of players in India – GCC container trade (Fiscal 2018)**




*Source: RITASS, CRISIL Research*

Note: Shares are for laden containers

**Future outlook**

**Container volumes at India-GCC and India-SEA lanes to remain resilient**

Key positives for GCC countries and UAE particularly are; positioning as gateway to Central Asia, by virtue of its geography, potential as a transhipment and re-export hub, highest liner connectivity in the region, Expo 2020 being organised in Dubai, (a symposium for businesses to identify and invest in the region) and infrastructure creation among others would aid the ports in the area. Growing trade with India, with inward movement of agro products and meat will boost trade as well. As another positive for trade and investment, UAE has improved its ease of doing business ranking, as per data accessed through World Bank. In 2017, UAE's rank stood at 21 vis-à-vis 26 in previous report.

Container traffic in key GCC and SEA countries, has somewhat grown in line with GDP growth.

**Third-party logistics players gaining traction in India**

We have estimated the 3PL market in India at ₹ 325-335 billion in Fiscal 2017 (20-25% of the total logistics market in India), and expected to grow at 19-21% CAGR to reach ₹ 570-580 billion by Fiscal 2020. Going forward, sectors such as automobiles, e-commerce, consumer goods, organized retail and engineering are expected to have high 3PL potential.

Moreover, warehousing industry in India is expected to grow at 6-8% CAGR in square feet terms from Fiscals 2018 to 2021, driven by industrial segment. We expect the cold-chain industry to grow at 13-15% CAGR from ₹ 248 billion in Fiscal 2017 to ₹ 472 billion in Fiscal 2022, primarily driven by temperature-controlled warehouses ("**TCWs**"), which account for over 90% of industry revenue.

**Implementation of Goods and Services Tax (GST) to streamline Indian logistics in the long term**

Implementation of GST will bring much-wanted respite to the Indian industry, struggling with high tax incidence and logistics costs. The unified tax will subsume most indirect taxes, including the excise duty and service tax at the central level and VAT and local levies at the state level. Tax warehouses will lose relevance and a logical realignment of warehouses will reduce logistics costs, which will facilitate growth of the 3PL industry in India.

Post-GST implementation, more organised third party logistics players are expected to provide end-to-end logistics solutions and have a pan-India presence.

***Ambient industrial warehousing segment to gain traction post GST implementation***

Ambient Indian warehousing industry can be broadly classified into two sub-segments, namely, industrial warehousing, accounting for about 83%, and agricultural warehousing, accounting for the rest. CRISIL Research estimates the ambient warehousing industry to grow at 6-8% CAGR in square feet terms from Fiscals 2018 to 2021. The industrial segment, which accounts for nearly two-thirds of the industry (agricultural warehousing comprising the remainder), would drive growth.

***GST leading to growth of consolidated warehouses***

Under the Goods and Services Tax (GST), emphasis on value addition; amalgamation of a large number of central and state taxes into a single tax; and set-off allowance of prior-stage taxes will mitigate the ill effects of cascading.

This will also allow free flow of tax credit in intra and inter-state transactions, leading to a more efficient and leaner tax structure.

As a result, consolidation is expected to lead to warehousing cost savings for consumer durables and FMCG players. CRISIL Research's analysis of FMCG and consumer durables projects warehousing cost for consumer durables to halve and fall by 25-30% for FMCGs over long term due to GST implementation. Consequently, number of warehouses could reduce from 25-30 to 10-12 for a consumer durables company, and from 45-50 to 30-35 for an FMCG company.

***GST to usher warehousing investments in India; Sizeable investments expected over next three years, led by organised industrial warehousing***

CRISIL Research projects investments in the warehousing (agricultural and industrial) sector to touch ₹ 250-300 billion over next three years on expectations of increased demand; industrial warehousing is likely to comprise over 85% share of total investments.

Additionally, implementation of GST will lead to consolidation in warehousing requirements and network logistics. For example, a large warehouse may now service two or more states.

***GST to indirectly impact road freight movement; Proliferation of the hub and spoke model to add to efficiencies***

Implementation of the GST in July 2017 has allowed companies to aggregate state-based warehouses into one large, regional warehouse that would offer cost and operational efficiencies in geographically large markets. Experience shows that as logistical inefficiencies and primary transport costs reduce, the hub and spoke model proliferates and service levels improve. This will make road transport more competitive in the GST regime. The proliferation of the hub and spoke model is expected to lead to consolidation of freight, increasing the need for higher tonnage commercial vehicles. Transporters who have invested heavily on lower tonnage vehicles like medium commercial vehicles, are expected to face lower fleet utilisation.

GST implementation has also facilitated in the removal of check posts. This will lead to faster travel times, adding to efficiencies.

## SUMMARY OF OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 14 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" beginning on page 15 for a discussion of certain factors that may affect our business, financial condition or results of operations.*

### Overview

We are a leading integrated logistics solutions provider, offering customized and end-to-end solutions to domestic and international markets. We offer a broad spectrum of strategic and operational logistics support services to domestic and international geographical markets through our seamless, energy efficient and "environment friendly" logistics solutions. Our technology-enabled, "asset-light" business model allows scalability to our services as well as our robust streamlined business and operational processes enable us to offer efficient and customized logistics solutions to our customers.

According to the CRISIL Report, we are a leading logistics solutions company with operations across India and various international markets. We are the leading providers of regional liner services between India and the Middle East and the largest domestic coastal logistics solutions provider with a market share of approximately 52%, according to the CRISIL Report.

We have structured our primary business into two business divisions comprising domestic and international logistics solutions. Our domestic solutions primarily comprises of coastal container service and road and rail transportation. Our international solutions comprises international liner services consisting of refrigerated and dry cargo movements between Indian sub-continent, Middle East, South-East Asia and Far-East along with freight forwarding and liner agency services.

Our connectivity between the eastern coast and western coast of India ensures integrated coverage which our customers can utilize to manage cost, time and productivity efficiencies. We offer smarter logistics support to remote areas for the movement of ISO tanks, reefer boxes and project cargo within India through road and costal movement. We believe that our end-to-end solutions offering also offers cost advantages for our customers. We use specialized type of container seals for specific cargos which ensures higher security locking for containers. Further, we have a dedicated team of people with relevant industry experience ensuring close monitoring and safety of our cargos. We have specialized car racks which can be used to carry automobiles in containers. We have also started providing warehousing and distribution services and cold chain (temperature controlled warehousing and transportation services).

During Fiscal 2018, we have provided services to over 8,000 customers in our domestic business division and over 15,000 customers in our international business division. Certain of our key customers include The Ramco Cements Limited, NITCO Limited, Grasim Industries Limited, JSW Steel Coated Products Limited, Star Bentonite Exports, Century Plyboards (I) Limited, KAG India Private Limited, EICL Limited, Arvind Ceramics Private Limited, Petrochem Middle East, Tilda International DMCC, Saint-Gobain India Private Limited, Pushpak Logistics Solutions LLP, Al Danube, JK White Cement Works (Unit of J.K. Cement Limited), Ultra Tech Cement Limited (Unit Birla White), Landmark Group and Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.P.J.S.C.

Our logistics business serves a broad range of industries, including construction material, agricultural products, hazardous and non-hazardous chemicals, food products and beverages, machinery and equipment, minerals, electronics, pharmaceutical, petro chemical products, automobiles and fertilizers.

As of March 31, 2018, we have a fleet of 42,068 TEUs which includes various types of 20Ft and 40Ft containers including dry, high cube dry, open-top, flat rack, foldable, ISO tank and refrigerated containers, on ownership and lease basis. Our domestic and international logistics division handled 121,350 and 139,427 TEUs respectively during Fiscal 2018, 90,713 and 103,365 TEUs respectively during Fiscal 2017 and 63,318 and 98,425 TEUs during Fiscal 2016. We believe a wide variety of containers helps serve diverse need of our customers.

We have an asset light business model and we have long standing relationships with a large number of international and domestic leasing companies business partners such as Seaco Global Limited, Tristar Container Services (Asia) Private Limited, CAI International, Inc and Subsidiaries, VS&B Domestic Container Solutions Private Limited, who provide us operating assets, including deployment of containers.

Avana Logistek pioneered the business of coastal container service by commencing operations in 2005. Subsequently, Avana Logistek engaged in domestic first mile and last mile solutions and road transportation in 2008. To meet its customers' expanding domestic and international logistics needs, Avana Logistek expanded its geographical reach in 2017 by acquiring, Balaji Shipping Lines FZCO (now known as Avana Global FZCO) from Transworld Holdings, our Promoter. With this acquisition, Avana Logistek is able to leverage over three decades of operational expertise of providing international liner services across Middle East and the Indian sub-continent. Avana Global was predominantly serving in the Middle East and West coast of India but post-acquisition the company now also has significant access to key Southern and Eastern coast ports of India and has expanded its reach to South-East Asia and Far-East.

We believe that the acquisition of Avana Global has played a significant role in the growth and expansion of our operations, customer base, business synergy, network expansion and establishing our presence in the Middle East, Arabian Gulf. Pursuant to the acquisition of Avana Global, we now have access to and operate 22 offices, including in the Middle East, which was earlier reliant on third party agents. We believe that the acquisition of Avana Global has also allowed us to provide freight forwarding and liner agency services, ensuring necessary competitive advantage to provide seamless and integrated logistics solutions for our customers.

Avana Logistek has also recently started providing (i) warehousing & distribution services and (ii) cold chain (temperature controlled warehousing and transportation) services. We believe that this has enabled us to enhance our service proposition for existing customers, including due to our expertise in handling reefer cargos in the Gulf Co-operation Council ("**GCC**") and India and ability to garner new customers. We have also developed a process for customer journey mapping which involves a mechanism where customers' feedback is recorded and analysed through business intelligence. These processes along with documentation and operational procedures will make our business more efficient and will help in making it a satisfactory experience for our customers using tools such as customer portals.

We are part of Transworld group, a diversified logistics and shipping conglomerate, founded in 1977 by R. Sivaswamy and headquartered in Dubai, UAE. The Transworld group has a fleet of owned and chartered vessels having presence in emerging markets, including in the port of Jebel Ali, which is the largest port, in terms of container port traffic, for the GCC region and offers a host of diverse services covering various facets of logistics and shipping, including ship owning (containers and bulk), feedering, international liner, coastal shipping, cold chain, warehousing and distribution, freight forwarding, shipping agency and break bulk.

We have presence in India and international markets with 22 offices and established network in 20 countries. We have a widespread transportation network across 19 states and five union territories in India and serve over 1,500 pin codes as at March 31, 2018. As of March 31, 2018, we have 13 branches across India.

We have received various industry accolades, awards and recognition over the years, including India Seatrade Award in the 'Container Operator of the Year' category for Fiscals 2014, 2015, 2016 and 2017, Gujarat Star Award 'Best End to End Complete Logistics Solution Provider of the Year' in Fiscals 2013, 2014 and 2015.

For Fiscals 2018, 2017 and 2016, our consolidated total income was ₹ 14,064.87 million, ₹ 10,325.76 million and ₹ 9,334.11 million, respectively and consolidated profit after tax for Fiscals 2018, 2017 and 2016 was ₹ 507.19 million, ₹ 141.80 million and ₹ 98.80 million, respectively. Our consolidated revenue from operations increased to ₹ 13,990.51 million from ₹ 10,243.48 million from ₹ 9,284.88 million in Fiscal 2018, 2017 and 2016, respectively at a CAGR of 14.64% from Fiscal 2016 to Fiscal 2018. Our consolidated EBIDTA for Fiscal 2018, 2017 and 2016 was ₹ 790.39 million, ₹ 488.37 million and ₹ 410.83 million, respectively. Our consolidated profit after tax for Fiscals 2018, 2017 and 2016 is ₹ 507.19 million, ₹ 141.80 million and ₹ 98.80 million, respectively.

***Our Strengths***

***Leading integrated logistics solutions provider in India and GCC region***

We are a leading integrated end-to-end logistics solutions providers company in India and a key regioner liner with significant presence in GCC countries according to the CRISIL Report. We are the largest domestic coastal logistics solutions provider with a market share of approximately 52%, according to the CRISIL Report. Our solutions cover the entire cargo transportation process which includes pick-up of cargo from the origin location, transportation and finally, delivery of the cargo at the destination, which we believe are undertaken through cost effective and timely channels. We provide customized logistics solutions to our customers, including port-to-port services, point-to-point services and ensures that each service or solution is carefully customized to address the specific needs of our customers. This includes the assignment of dedicated teams, reporting protocols and modular as well as tiered service solutions that give our customers appropriate choices for engaging our services. Our integrated services enable our customers with a preferable single-window solution thereby meeting the requirements of multiple service providers at different levels in the chain of logistics services. Further, our integrated service model provides us with greater business opportunities from our customers by offering a wide range of services, contributing to our revenue and profitability. We also provide scheduled fixed day services which enables our customers to plan their cargo movement well in advance resulting in better control of their supply chain.

We provide diverse logistics solutions, including through road, rail and coastal mode and our integrated service offerings extends to various geographies, including in the Indian sub-continent, Middle East, South-East Asia and Far-East. Further, we operate in major ports in India and Middle East, including in the port of Jebel Ali, which is the largest port, in terms of container port traffic, for GCC region according to the CRISIL Report which has developed into a strategic trans-shipment port for other countries of GCC region.

We have developed innovative solutions to address challenges pertaining to the industries in which our customers operate. Our technology has enabled us to control and command operations, undertake real-time tracking of vehicles, provide end-to-end visibility and transferability of operations and make timely corrective interventions, including online tracking of containers' positioning which can be tracked on our website. Our information technology systems play a significant role in enabling us to offer cost-efficient and customized solutions to our customers. It not only enhances our operational efficiency and customer service quality, but also reduces our operating costs, enabling us to handle emergency situations, making it more competitive in the global logistics markets. We have also developed certain processes whereby our Process Excellence (PEX) team will help us in troubleshooting while pointing us towards the issues on which we may be lacking along with solutions to solve such issues. Implementation of such processes will also assist us in further developing our relationships with our business partners such as agents and suppliers thereby enabling us in providing better and more effective means to provide end-to-end solutions to our customers in synchronisation with our business partners.

Additionally, we leverage the strengths and heritage of the Transworld group. The Transworld group operates offices in UAE, USA, Saudi Arabia, Oman, Qatar, Kuwait, Sri Lanka, Singapore and offices in a number of Indian cities combined with strong network partners' offices in 20 countries. We believe that being part of the Transworld group imparts us with various synergies, including access to two vessel operating companies being Shreyas Shipping, our Promoter, one of the largest Indian flag ship owner/operator and Transworld Feeders, our Group Company, based in UAE operating vessels between Middle East, South-East Asia and Far-East and India.

***Wide geographical presence with extensive coverage***

As of March 31, 2018, we have operations in India, spread across 19 states and five union territories, covering over 1,500 pin codes, establishing our pan-India presence. Post the acquisition of Avana Global, we have further consolidated our pan-India presence by increasing our liner services from East & South Coast of India and Middle East, including the port of Jebel Ali, one of the five key ports in the Asia and also, one of the top ten container handling ports, globally, which has developed into a strategic trans-shipment port for other GCC countries. Avana Global was predominantly operating in the west coast of India and the Middle East and post-acquisition, it has extended its business operations to the south and east of India and expanded further to South East Asia and Far-East. We now operate 22 offices and have network in 20 countries globally, which enables us to have direct presence in the countries in key global markets. Avana Global operates through Jebel Ali Free Zone and conducts its maritime logistics business through a wide network of partners across 20 countries in the Middle East, Indian sub-continent, South-East Asia and Far East region spread across 46 ports and 41 ICDs. We are able to leverage from the Transworld brand and aim to differentiate ourselves in providing logistics solutions, thereby enhancing the Transworld group brand value, track record and market position. Our growth has also been due to significant expansion of strong Transworld brand name and fleet of owned and chartered vessels and its strong, growing presence in emerging markets and access to global offices in a number of Indian cities combined with strong network partners' offices in 20 countries.

We lease most of our offices/ DCs and delivery vehicles, which enables us to expand our operations in order to adapt to changing industry conditions, environments and customer needs. Further, we have dedicated space which we make available to our customers both under the domestic and international logistic routes which enables us to offer assured space availability to our customers for dry and reefer cargo thereby further enabling us to reduce costs and increase our margins, while simultaneously offering assured services to our customers. We believe that our wide and extensive network and presence in multiple jurisdictions, either through our direct presence or through agents, enables us to have greater access to customers and deliver our solutions to a larger addressable market across a broad geographic spectrum, contributing to our volume of services, revenue and profitability.

***Strong customer focus and growing customer base***

We believe we have a deep understanding of the complexities and challenges faced by our customers in their business. Our large customer-base of over 24,000 customers across the globe, operating in various industry verticals has enabled us to monetise collective knowledge and cross-leverage the know-how and best practices. Our customers include many leading businesses, including construction, agriculture, pharmaceutical, dairy, transporting a variety of goods such as construction material, agricultural products, hazardous and non-hazardous chemicals, food products and beverages, machinery and equipment, minerals, electronics, pharmaceutical, petro chemical products, automobiles and fertilizers. In Fiscal 2013, we had customer-base of approximately 5,000 customers, which has now increased to over 24,000 customers in Fiscal 2018, including addition of customers from different industry verticals such as fertilizer, chemicals and viscose fibre manufacturers. Our pan-India presence and reach into wider network of fleet owners provides us substantial reach and penetrations for our customers.

We have a history of high customer retention and satisfaction, deriving a significant proportion of our revenues from repeat business (defined as repeat business generated in the preceding Fiscal) built on our successful execution of prior engagements. We have been the market leaders in the domestic logistics solutions space in the last three Fiscals and accordingly, most of our large customers (in terms of revenue and volumes) have remained largely unchanged.

We have an extensive portfolio of logistics services and solutions to address our customers' varied and diverse their different business and technology needs. We have continuously invested in broadening our portfolio, which is tailored to the specific needs of our customers and industries in which they do business. In order to improve our service efficiencies and facilitate repeat business, we carry out regular audits and surveys, which are important for us to ensure high level of customers' satisfaction through continued feedback. We strive to be flexible to our customers' business needs and requirements, such as reducing run costs, re-aligning our services with business changes, and helping envision their future technological needs in line with projected business trends. Our track record of delivering an extensive range of logistics solutions, demonstrable industry and technology expertise, and sensitivity to our customers' feedback, has helped us forge strong relationships with our major customers.

***Experienced management and operational team and with strong domain expertise***

We have built a strong management culture with experience in the logistics sector, with over 39 years of entrepreneurial experience of Ramakrishnan Sivaswamy Iyer, our Executive Chairman and his hands-on involvement in the shipping and logistics sphere. Our Managing Director, Sundaresan Varadarajan has over 35 years of experience in the field of shipping and logistics industry. Ritesh Sivaswamy Ramakrishnan, Joint Managing Director, has eight years of experience in shipping and logistics. Experience in these industries are key in driving business growth and provides thought leadership in the logistics space on making operations more efficient and productive, including with the use of technology.

Our management team comprises seasoned logistics and technology professionals with global experience and the professionals with deep experience in the domains of our customers, which has helped us deliver consistent financial performance. We believe that this blend, together with a strong management culture, helps our management team develop deep insights, anticipate trends in the market, and devise and execute Avana Logistek's strategy effectively. Further, our management team enables us to conceptualise and develop new services and solutions, effectively market our services and solutions, and develop and maintain relationships with our customers and agents. For further information relating to our management, see "*Our Management*" beginning on page 166.

Since we started doing business, our Promoters have instilled in us their sense of purpose and passion in the manner in which they do their business, and we cherish and live by those values. Our management culture is collaborative and team-oriented, which is inherent in the way we do business and we believe this is a source of competitive advantage.

***Asset-light business model***

We operate on an asset-light business model enabling us to offer a variety of flexible, scalable and customized portfolio of services and solutions. We believe that the leasing of assets by us gives us a formidable advantage and scalability over other industry players. We work with a community of collaborators, partners, agents, vendors and suppliers and provide our services in a modular manner, depending on our customers' needs. These services are based on our customers' requirements and we handle complexities that are unique to the Indian logistics industry. Some of our equipment and other infrastructure requirements are procured from third parties on a need-based basis at competitive rates giving us the ability to 'plug-and-play' depending on the requirements. We have built long-standing relationships with container leasing companies who provide us operating assets like containers and vehicles as per our requirements. For instance recently in the month of March 2018, Avana Logistek had signed an agreement with VS&B Domestic Container Solutions Private Limited for leasing 1000x20 feet domesticated high cube containers on an operating lease for a period of seven years. We believe that our 'asset-light' business model improves our ability to change and adapt to changing market conditions and adapt to economic conditions and also ensuring our competitive edge.

***Our Strategies***

***Continue to expand our geographical presence and establish our new business segments – cold chain and warehousing & distribution***

We propose to capitalise on the continued market growth and strengthen our presence in integrated logistics across various jurisdictions, including through inorganic growth opportunities. We intend to expand in new geographies of South East Asian countries, including Singapore and Far East and the identified trade lanes operate between major commercial ports of China, Korea, Singapore, Malaysia, Vietnam, Indonesia, East Africa and the gateway ports of the Indian sub-continent. We intend to obtain access to certain additional ports to our existing logistics network, such as JNPT, Kakinada, Paradip, Port Blair, Ennore, Dhamra and North East India. In addition, we intend to focus on developing the volume out of ports such as, Mundra – JNPT, Kakinada – Cochin, Chennai – Port Blair, Haldia – North east cargo via Bangladesh port, Kandla, Jebel Ali, Damam, Sohar, Jubail, Doha and Bahrain. By pursuing these expansion efforts, we intend to achieve a larger network scale, create synergies to generate higher revenue and enhance operational efficiency.

We have recently entered two new business segments, being (i) cold chain business providing facilities for cold storage equipped for active refrigeration on long haul freight; and (ii) warehousing & distribution services for providing commercial storage and transportation. To enhance our position within this segment, we intend to set up temperature controlled storage, integrated F&V handling and processing centre, logistics services during festivals in various states in India, movable storage, part load B2B distribution and temperature controlled supply chain consultancy. We also intend to operate in a mega food park in Chhattisgarh providing all the services mentioned above. We intend to build multi-temperature storage and distribution centers at major cities, such as Mumbai, Delhi, Bengaluru, Hyderabad, Ahmedabad, Pune, Chandigarh and Vishakhapatnam. Further, we intend to establish a network of specialist cold-storage warehouses based on the concept of *Avana Chill Zones*, cold-storage warehousing facilities based on international standards, including large cargo and smaller volumes, express and enterprise solutions as well as services and solutions for long and short transit periods.

We intend to establish temperature controlled units to provide space both for bulk and hub utilisations. Our temperature controlled fleet corridors are supported by in-transit hubs which acts as efficiency enabler by providing truck check post and control centers at every 700-900 kms ensuring faster turnaround. Our entry in the cold chain business will also assist and compliment our expertise in handling the reefer container cargos in GCC region and India.

The warehousing, distribution and transportation services to be provided by us includes, palletized and non-palletised storage, oversize cargo storage, open yard storage, dangerous goods storage, 3PL services. We propose to set up warehouses at various locations in India, including in Ahmedabad, Mumbai, Delhi NCR, Hyderabad, Chennai, Bengaluru, Kolkata, Pune, etc. We intend to provide warehousing and distribution services to customer which ranges from inbound logistics, manufacture support, vendor manage inventory, order fulfillment, value added service, sales and aftermarket services and distribution management. These services are mainly within warehousing which includes inbound and outbound of material which supported by Warehouse management system and ERP system of customers. We will work of semi-automated and automated process in terms of loading, unloading, picking and put away operations which will benefit to customer in long run. Distribution management will be done through owned and market hire vehicles. This operation will be supported by technology like transport management systems, vehicle tracking and optimizers. Services are provided based on time bound and cost effective manner to customers. These services includes load building, shipment, status updates, POD confirmation, milk run, last mile delivery. After customer mapping we have identified our customers for cold chain and warehousing & distribution.

***Continue to focus on increasing efficiency, innovation, providing advanced integrated and competitive logistics solutions, advanced technology-driven services***

We believe that strengthening our technological capabilities will play a key role in managing our operations and also help in enhancing our customer service levels. In addition to investments in software systems, we have invested in building the capabilities of our technology team, which now has experts in domains such as usability engineering, architecture, and development, product management and infrastructure management.

We intend to continue to develop our technology systems to innovate and increase asset productivity, lower costs of operations, improve operating efficiencies, provide scalability and visibility for our customer and strengthen our competitive position. We also aim to improve further our operating efficiencies by increasing our integration with our customers' internal systems and processes. We will continue to automate major processes in our business to improve process efficiency, reduce costs, and offer a differentiated value proposition to our customers. We intend to implement cloud based Enterprise Resource Planning (ERP) platform for our end-to-end logistics solutions, providing a single integrated platform with customer portal and mobility solution. We also intend to further develop on our customer portal and mobile application to provide features such as vessel schedules, booking, shipping instructions, invoice instructions and payment gateway and performance dashboards. We also intend to develop in predictive analysis as a tool for managing our container assets efficiency.

We aim to create a unique operational model that uses technology to make accurate predictions, ensure high level of efficiency, focus on automated operations and simplify logistics across the Indian sub-continent and the middle-east.

We propose to put in place advanced transportation management system with an integrated ecosystem involving real-time exchange of information with diverse customer and service provider systems. Further, we intend to enhance our infrastructure to enable us to respond to our customers' changing needs, for instance, providing more DCs, number of hubs, branches and feeder routes.

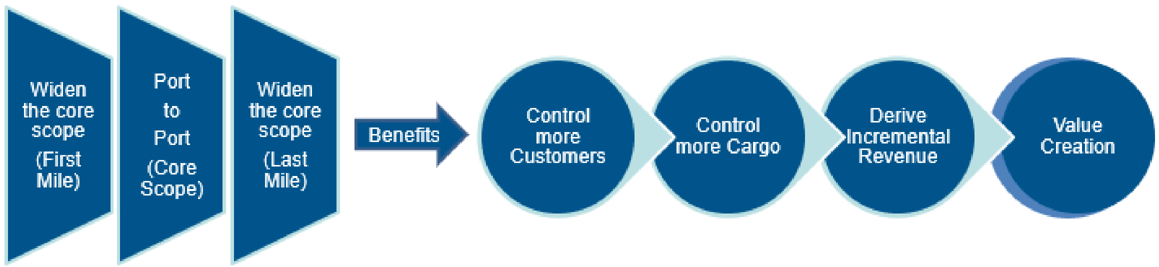
We being major player in logistics sector aim to contribute towards the growth in the nation's economy. In line with our expansion plan for coastal business in India, we have done an extensive cargo mapping of certain transported products in India. We intend to initiate new services to bring in innovation to carry more cargoes under the coastal route. One of the cargo identified is cars from the automobile industry, and it has potential to use coastal shipping since most of the plants are located in Chennai. We imported car rakes which could be fitted in any standard ISO dry container. When a container is fitted with car rakes, it enables the car to be transported without much handling and can prevent any damages during transit. Foldable containers are one of the latest innovation in containers where 40' containers in a lot of 4 x 40'HC can be folded once the cargo is unloaded and made as one bundle to be moved back as empty. This operation is ideally suitable for an imbalance trade where there is only one-way cargo movement. Instead of repositioning the container as it is once folded, they will result in saving the cost of slot, empty transport and handling in terminal thus reducing our operational cost.

***Increase the customer base by providing them broad spectrum of services and cross-sell existing services to customers***

We intend to broaden our spectrum by soliciting new customers to whom we shall offer both existing and new services, while also engaging with existing customers to introduce the new services which we propose to introduce and grow. We intend to capitalize on the fragmented market offerings and increase our market share through seamless logistics solutions as we have been doing since 2005.

We intend to build a base of new customers in different industries, such as cold chain, warehousing, distribution and transportation. We propose to invest in building temperature-controlled storage facilities, leasing dry warehousing space & transportation vehicles to meet growing demand of wider range of customers and industries. We also intend to diversify and expand our cargo portfolio to different types of goods which will enable us to cater to new markets and increase volume of our business which in turn will contribute to increased revenue and profitability.

We intend to cross-sell our existing services to all our customers and provide them access to broad spectrum of services to address their evolving logistic requirements. We propose to increase our revenues from our existing value added services such as efficient routing, 24*7 tracking systems and delivery alerts. For instance, we may offer to our existing customer who is currently utilising port to port services to avail first mile & last mile transportation, cold chain facilities, warehousing & distribution services. Further, we attempt to evaluate our customers' needs on a regular basis which enables us to customise our service offerings.





We aim to expand our relationships with our existing customers by offering additional logistics services to them and by continuing to follow our asset light model. The logistics industry in India is a highly competitive and fragmented industry and we intend to continue to focus on improving our operational efficiency and quality of service. Further, we intend to enhance our ability to provide further customized solutions to our customers.

***Employees are an important asset for us and we continue to focus on establishing human resources***

We intend to focus on human capital management comprising our employees and stakeholders. We have developed "My Transworld", a digital system for talent management, performance management, training, and skill development. We also conduct computer based psychometric profiling, an online tool to analyze and understand the behavioural traits, physiological pattern and job fitment of prospective candidates. This will also enable us to assess existing employees' development plan, potential appraisal and assist in promotions. We also intend to improvise on communication and employee engagement, by introducing quarterly newsletter, weekly bulletins, social media updates and employee culture survey. We intend to continue to focus on skill development of our employees and intend to invest in conducting programs for their personal development, knowledge enhancement, mentoring, health and training. *Translife*, one such initiative by us focuses on the developing good health of employees and their families.

***Establish our brand "Avana" in domestic as well as international markets***

We aim to build brand awareness and equity for "Avana" through a well-defined B2B and targeted digital marketing programme that will use online and social media to augment our existing brand presence in the sectors, markets and industries we currently operate within. With the aim to provide end to end integrated logistics solutions, we strive to provide seamless logistics services in domestic as well as international markets.

Our 'Digital First' approach will be reflected in our daily operating principles, processes and policies and also in the approach we take to building 'communities' of customers, partners and employees. Our targeted approach of digital marketing will allow us to maximize impact on any marketing spend and more importantly, it will also allow us to be 'different things to different segments' as opposed to everything for everybody. The ability to specifically target key customers and promote 'smart solutions' will play a critical role in encouraging qualified leads for new business opportunities and also protecting our position of thought-leadership, innovation and authority within the industry.

## SUMMARY OF FINANCIAL INFORMATION

*The following tables set forth the summary financial information derived from:*

*(a) the Restated Consolidated Financial Statements as at and for the Fiscals ended March 31, 2018, 2017, 2016, 2015 and 2014; and*

*(b) the Restated Standalone Financial Statements as at and for the Fiscals ended March 31, 2018, 2017, 2016, 2015 and 2014.*

*The Restated Financial Statements referred to above are presented under "Financial Statements" beginning on page* 201. *The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and "Financial Statements" and "Management's Discussion and Analysis of Fin*ancial Condition and Results of *Operations" beginning on pages 201 and 324, respectively.*

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**Restated Ind AS Consolidated Statement of Assets and Liabilities**

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | As at | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| | | | | | | |
| | **ASSETS** | | | | | |
| **A** | **Non-current assets** | | | | | |
| | Property, plant and equipment | 1,559.96 | 1,684.78 | 1,856.27 | 1,550.50 | 1,190.08 |
| | Investment property | 34.98 | 38.13 | 42.24 | - | - |
| | Intangible assets | 0.84 | 1.08 | 3.03 | 3.25 | 4.63 |
| | Intangible assets under development | 0.79 | - | - | - | - |
| | **Financial assets** | | - | - | - | - |
| | Investments | - | - | 11.86 | 1.75 | 1.67 |
| | Other financial assets | 48.88 | 52.21 | 109.91 | 86.36 | 83.36 |
| | Income tax assets (net) | 150.84 | 126.76 | 101.20 | 56.15 | 57.10 |
| | Other non-current assets | 0.64 | 0.48 | 0.29 | 0.42 | 0.32 |
| | **Total of non-current assets** | **1,796.93** | **1,903.44** | **2,124.80** | **1,698.43** | **1,337.16** |
| **B** | **Current assets** | | | | | |
| | **Financial assets** | | | | | |
| | Investments | - | - | 6.97 | 22.61 | - |
| | Trade receivables | 2,389.43 | 2,242.67 | 1,556.09 | 1,095.72 | 870.41 |
| | Cash and cash equivalents | 234.71 | 118.08 | 116.46 | 132.36 | 184.74 |
| | Bank balances other than cash and cash equivalents | 34.98 | 74.40 | 29.56 | 48.10 | 41.27 |
| | Other financial assets | 150.88 | 84.40 | 855.44 | 700.77 | 585.54 |
| | Other current assets | 143.65 | 116.12 | 27.50 | 59.44 | 31.08 |
| | **Total of current assets** | **2,953.65** | **2,635.67** | **2,592.02** | **2,059.00** | **1,713.04** |
| | | | | | | |
| | **Total assets (A + B)** | **4,750.58** | **4,539.11** | **4,716.82** | **3,757.43** | **3,050.20** |
| | **Equity** | | | | | |
| | Equity share capital | 119.76 | 119.76 | 35.00 | 35.00 | 35.00 |
| | Other equity | 1,396.09 | 911.79 | 1,628.52 | 1,475.03 | 1,166.28 |
| | **Equity attributable to owners of the Company** | 1,515.85 | 1,031.55 | 1,663.52 | 1,510.03 | 1,201.28 |
| | Non-controlling interests | 39.55 | 28.32 | 41.49 | 21.85 | 26.52 |
| | **Total equity** | **1,555.40** | **1,059.87** | **1,705.01** | **1,531.88** | **1,227.80** |
| **D** | **Non-current liabilities** | | | | | |
| | **Financial liabilities** | | | | | |
| | Borrowings | 374.00 | 556.39 | 829.56 | 569.42 | 377.84 |
| | Provisions | 25.93 | 18.22 | 17.74 | 11.56 | 9.08 |
| | Deferred tax liabilities (net) | 39.11 | 27.17 | 9.75 | 5.62 | 9.16 |
| | **Total of non-current liabilities** | **439.04** | **601.78** | **857.05** | **586.60** | **396.08** |
| | | | | | | |
| **E** | **Current liabilities** | | | | | |
| | **Financial liabilities** | | | | | |
| | Borrowings | 212.44 | 332.51 | 420.87 | 306.19 | 329.62 |
| | Trade payables | 2,076.48 | 2,092.80 | 1,292.08 | 933.25 | 766.97 |
| | Others financial liabilities | 234.03 | 302.37 | 267.40 | 230.73 | 225.43 |
| | Provisions | 30.22 | 33.56 | 26.70 | 45.32 | 48.29 |
| | Other current liabilities | 193.83 | 111.66 | 143.78 | 117.27 | 53.50 |
| | Current tax liabilities (net) | 9.14 | 4.56 | 3.93 | 6.18 | 2.51 |
| | **Total of current liabilities** | **2,756.14** | **2,877.46** | **2,154.76** | **1,638.94** | **1,426.32** |
| | | | | | | |
| | **Total equity and liabilities (C+D+E)** | **4,750.58** | **4,539.11** | **4,716.82** | **3,757.43** | **3,050.20** |

**Restated Ind AS Consolidated Statement of Profit and Loss**

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| | | | | | | |
| **A** | **Income** | | | | | |
| | Revenue from operations | 13,990.51 | 10,243.48 | 9,284.88 | 8,873.82 | 7,893.52 |
| | Other income | 74.36 | 82.28 | 49.23 | 56.70 | 56.20 |
| | **Total income** | **14,064.87** | **10,325.76** | **9,334.11** | **8,930.52** | **7,949.72** |
| | | | | | | |
| **B** | **Expenses** | | | | | |
| | Freight expenses | 9,004.15 | 7,329.71 | 6,558.28 | 6,050.47 | 5,306.42 |
| | Other operating expenses | 3,310.57 | 1,766.53 | 1,634.14 | 1,671.65 | 1,379.09 |
| | Employee benefits expense | 466.70 | 360.42 | 356.51 | 332.11 | 329.72 |
| | Depreciation and amortisation expense | 85.98 | 199.05 | 194.79 | 160.21 | 155.79 |
| | Finance costs | 82.21 | 108.40 | 104.21 | 100.08 | 106.16 |
| | Other expenses | 491.03 | 377.49 | 369.74 | 289.58 | 278.84 |
| | **Total expenses** | **13,440.64** | **10,141.60** | **9,217.67** | **8,604.10** | **7,556.02** |
| | | | | | | |
| **C** | **Restated profit before exceptional items and tax** | **624.23** | **184.16** | **116.44** | **326.42** | **393.70** |
| | Add: Exceptional Items | - | - | - | - | - |
| | **Restated profit before tax** | **624.23** | **184.16** | **116.44** | **326.42** | **393.70** |
| | **Less: Tax expense** | | | | | |
| | Current tax | 103.71 | 24.89 | 13.17 | 51.13 | 13.47 |
| | Deferred tax (credit) / charge | 13.33 | 17.47 | 4.47 | (4.09) | 6.18 |
| **D** | **Restated profit/ (loss) for the year** | **507.19** | **141.80** | **98.80** | **279.38** | **374.05** |
| **E** | **Restated other comprehensive income ('OCI')** | | | | | |
| | **Items that will not to be reclassified to profit or loss:** | | | | | |
| | Remeasurement gains / (losses) on defined benefit plans | (4.02) | 0.03 | (1.78) | (0.94) | 0.37 |
| | Income tax effect on above | 1.39 | (0.01) | 0.57 | 0.32 | (0.12) |
| | **Items that will be reclassified to profit or loss:** | | | | | |
| | Foreign exchange translation reserve | 2.96 | (10.69) | 82.54 | 60.95 | 63.64 |
| | **Restated other comprehensive income for the year** | **0.33** | **(10.67)** | **81.33** | **60.33** | **63.89** |
| | | | | | | |
| **F** | **Restated total comprehensive income for the year** | **507.52** | **131.13** | **180.13** | **339.71** | **437.94** |
| | **Restated profit for the year attributable to:** | | | | | |
| | - Owners of the Company | 492.62 | 135.54 | 88.62 | 272.48 | 370.45 |
| | - Non-controlling interests | 14.57 | 6.26 | 10.18 | 6.90 | 3.60 |
| | | **507.19** | **141.80** | **98.80** | **279.38** | **374.05** |
| | **Restated Other Comprehensive Income for the year attributable to:** | | | | | |
| | - Owners of the Company | 0.22 | (10.05) | 79.61 | 58.83 | 60.16 |
| | - Non-controlling interests | 0.11 | (0.62) | 1.72 | 1.50 | 3.73 |
| | | **0.33** | **(10.67)** | **81.33** | **60.33** | **63.89** |
| | **Restated Total Comprehensive Income for the year attributable to:** | | | | | |
| | - Owners of the Company | 492.84 | 125.49 | 168.23 | 331.31 | 430.61 |
| | - Non-controlling interests | 14.68 | 5.64 | 11.90 | 8.40 | 7.33 |
| | | **507.52** | **131.13** | **180.13** | **339.71** | **437.94** |

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **G** | **Earnings per equity share of ₹ 5/- each (post sub-division of equity shares subsequent to balance sheet date)** | | | | | |
| | Basic and diluted (₹) | 13.71 | 3.77 | 2.47 | 7.58 | 10.31 |

**Restated Ind AS Consolidated Statement of Cash Flows**

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| | | | | | | |
| **A** | **Cash flow from operating activities:** | | | | | |
| | Profit before tax (as restated) | 624.23 | 184.16 | 116.44 | 326.42 | 393.70 |
| | **Adjusted for non-cash/ non-operating item:** | | | | | |
| | Depreciation and amortisation expense | 85.98 | 199.05 | 194.79 | 160.21 | 155.79 |
| | Interest expenses | 82.21 | 108.40 | 103.57 | 98.86 | 105.04 |
| | Premium in redemption of preference shares | - | - | 0.64 | 1.22 | 1.12 |
| | Bad debts written off | 29.68 | 21.73 | 9.55 | 9.36 | 9.24 |
| | Profit on disposal of property, plant and equipment (net) | (26.94) | (7.96) | (16.19) | (7.43) | (16.97) |
| | Interest income | (2.03) | (3.24) | (3.38) | (5.04) | (1.65) |
| | Dividend Income on mutual funds | - | (0.13) | (0.81) | (0.33) | - |
| | | **793.13** | **502.01** | **404.61** | **583.27** | **646.27** |
| | **Movement in working capital** | | | | | |
| | (Increase)/decrease in inventory | - | - | - | - | 10.59 |
| | (Increase)/decrease in trade receivables | (177.29) | (745.36) | (447.71) | (209.65) | (108.01) |
| | (Increase)/decrease in other financial assets | 16.79 | 56.77 | 17.95 | 65.76 | (47.74) |
| | (Increase)/decrease in other assets | (28.13) | (94.89) | 33.27 | (25.08) | (0.19) |
| | (Increase)/decrease in trade payables | (13.68) | 828.14 | 333.90 | 137.94 | 147.56 |
| | (Increase)/decrease in other financial liabilities | 27.84 | 56.13 | 4.42 | 1.40 | (7.70) |
| | Increase/(decrease) in provisions | 1.82 | 8.16 | (14.86) | (3.35) | 21.66 |
| | Increase/(decrease) in other liabilities | 82.17 | (29.26) | 23.65 | 62.02 | 17.23 |
| | **Cash flow generated from operations** | **702.65** | **581.70** | **355.23** | **612.31** | **679.67** |
| | Taxes paid (net) | (123.21) | (58.09) | (60.75) | (45.82) | (40.20) |
| | **Net cash flow generated from operating activities (A)** | **579.44** | **523.61** | **294.48** | **566.49** | **639.47** |
| **B** | **Cash flow from investing activities:** | | | | | |
| | Purchase of property, plant and equipment and intangible assets | (14.69) | (43.54) | (90.86) | (468.92) | (19.01) |
| | Sale of property, plant and equipment | 83.61 | 41.15 | 79.74 | 14.22 | 31.78 |
| | Net cash inflow on disposal of a subsidiary | - | 17.49 | - | - | - |
| | (Purchase)/Sale proceeds of investments (net) | - | 13.23 | 5.77 | (22.61) | - |
| | (Advance to)/ repayment from ultimate holding company | (83.27) | 22.31 | (129.37) | (150.28) | (285.90) |
| | Interest income | 4.70 | 2.46 | 2.53 | 4.85 | 1.43 |
| | Dividend Income on Mutual Funds | - | 0.13 | 0.81 | 0.33 | - |
| | Other balances with bank (not forming a part of cash and cash equivalent) | 39.15 | (46.11) | 22.15 | (6.29) | (20.70) |
| | **Net cash flow generated from/ (used in) investing activities (B)** | **29.50** | **7.12** | **(109.23)** | **(628.70)** | **(292.40)** |
| **C** | **Cash flows from financing activities** | | | | | |
| | Proceeds from borrowings | - | 106.10 | 80.74 | 387.31 | - |
| | Repayment of long term borrowings | (152.85) | (182.29) | (136.76) | (70.27) | (32.80) |
| | Movement in short-term borrowings | 19.93 | (144.32) | 50.25 | (14.63) | (173.47) |
| | Redemption of preference share capital | (100.00) | - | - | - | - |
| | Repayment of finance lease obligations | (115.53) | (212.94) | (155.57) | (135.86) | (82.55) |
| | Proceeds from issue of equity share capital | - | - | - | - | 70.00 |
| | Share issue expenses | (0.57) | (5.33) | - | - | - |
| | Equity dividend including dividend distribution tax | (9.98) | (17.96) | (21.74) | (35.62) | (16.25) |

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| | Preference dividends paid including distribution tax | (21.49) | (11.43) | (11.43) | (11.11) | (11.04) |
| | Interest paid | (72.15) | (44.87) | (47.98) | (87.42) | (93.93) |
| | **Net cash flow generated from/ (used in) financing activities (C)** | **(452.64)** | **(513.04)** | **(242.49)** | **32.40** | **(340.04)** |
| | | | | | | |
| | **Net (decrease) / increase in cash and cash equivalents (A+B+C)** | **156.30** | **17.69** | **(57.24)** | **(29.81)** | **7.03** |
| | Cash and cash equivalents at the beginning of the year | 62.46 | 47.10 | 98.03 | 122.69 | 107.70 |
| | Exchange difference on translation of foreign currency | 0.07 | (2.33) | 6.31 | 5.15 | 7.96 |
| | **Cash and cash equivalents at the end of the year** | **218.83** | **62.46** | **47.10** | **98.03** | **122.69** |

**Restated Ind AS Standalone Statement of Assets and Liabilities**

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | As at | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| | **ASSETS** | | | | | |
| **A** | **Non-current assets** | | | | | |
| | Property, plant and equipment | 373.64 | 404.99 | 356.31 | 216.39 | 224.27 |
| | Intangible assets | 0.83 | 1.07 | 1.31 | 0.02 | 0.02 |
| | Intangible assets under development | 0.79 | - | - | - | - |
| | **Financial assets** | | | | | |
| | Investments | 3,589.01 | 3,589.01 | 20.95 | 18.29 | 18.29 |
| | Other financial assets | 8.45 | 7.98 | 7.34 | 5.13 | 7.41 |
| | Income tax assets (net) | 150.84 | 124.49 | 91.35 | 43.43 | 45.27 |
| | Other non-current assets | 0.64 | 0.48 | 0.29 | 0.29 | 0.19 |
| | **Total of non-current assets** | **4,124.20** | **4,128.02** | **477.55** | **283.55** | **295.45** |
| **B** | **Current assets** | | | | | |
| | **Financial assets** | | | | | |
| | Trade receivables | 1,355.85 | 882.97 | 865.07 | 526.02 | 372.03 |
| | Cash and cash equivalents | 5.80 | 12.30 | 4.09 | 22.36 | 12.98 |
| | Bank balances other than cash and cash equivalents | 118.95 | 12.01 | 9.53 | 43.21 | 23.66 |
| | Other financial assets | 19.47 | 50.69 | 46.90 | 27.78 | 58.95 |
| | Other current assets | 84.92 | 6.74 | 5.88 | 37.64 | 13.43 |
| | **Total of current assets** | **1,584.99** | **964.71** | **931.47** | **657.01** | **481.05** |
| | | | | | | |
| | **Total assets (A + B)** | **5,709.19** | **5,092.73** | **1,409.02** | **940.56** | **776.50** |
| | **Equity** | | | | | |
| | Equity share capital | 119.76 | 119.76 | 35.00 | 35.00 | 35.00 |
| | Other equity | 3,884.42 | 3,708.05 | 152.48 | 162.02 | 106.11 |
| | **Total equity** | **4,004.18** | **3,827.81** | **187.48** | **197.02** | **141.11** |
| **D** | **Non-current liabilities** | | | | | |
| | **Financial liabilities** | | | | | |
| | Borrowings | 65.62 | 110.18 | 129.11 | 9.36 | 31.59 |
| | Provisions | 5.06 | 1.48 | 4.03 | 1.46 | - |
| | Deferred tax liabilities (net) | 39.11 | 27.17 | 9.75 | 5.63 | 9.16 |
| | **Total of non-current liabilities** | **109.79** | **138.83** | **142.89** | **16.45** | **40.75** |
| **E** | **Current liabilities** | | | | | |
| | **Financial liabilities** | | | | | |
| | Borrowings | 196.56 | 276.89 | 351.51 | 271.86 | 267.57 |
| | Trade payables | 1,139.97 | 714.03 | 589.31 | 330.95 | 251.53 |
| | Others financial liabilities | 149.64 | 51.07 | 48.23 | 18.81 | 41.02 |
| | Provisions | 27.61 | 22.80 | 16.83 | 29.67 | 17.00 |
| | Other current liabilities | 81.44 | 61.30 | 72.77 | 75.80 | 17.52 |
| | **Total of current liabilities** | **1,595.22** | **1,126.09** | **1,078.65** | **727.09** | **594.64** |
| | **Total equity and liabilities (C+D+E)** | **5,709.19** | **5,092.73** | **1,409.02** | **940.56** | **776.50** |

**Restated Ind AS Standalone Statement of Profit and Loss**

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| A | **Income** | | | | | |
| | Revenue from operations | 6,684.50 | 5,524.06 | 4,269.55 | 3,719.94 | 3,082.25 |
| | Other income | 0.91 | 1.85 | 2.46 | 3.89 | 2.42 |
| | **Total income** | **6,685.41** | **5,525.91** | **4,272.01** | **3,723.83** | **3,084.67** |
| B | **Expenses** | | | | | |
| | Freight expenses | 5,395.63 | 4,603.45 | 3,534.45 | 3,066.63 | 2,580.72 |
| | Other operating expenses | 551.11 | 515.21 | 424.94 | 311.92 | 231.41 |
| | Employee benefits expense | 206.70 | 120.00 | 113.42 | 109.19 | 96.30 |
| | Finance costs | 35.17 | 45.43 | 39.76 | 39.51 | 44.26 |
| | Depreciation and amortisation expense | 41.80 | 33.81 | 26.95 | 20.07 | 25.48 |
| | Other expenses | 159.59 | 115.13 | 130.35 | 76.32 | 77.42 |
| | **Total expenses** | **6,390.00** | **5,433.03** | **4,269.87** | **3,623.64** | **3,055.59** |
| C | **Restated profit before exceptional items and tax** | **295.41** | **92.88** | **2.14** | **100.19** | **29.08** |
| | Add: Exceptional Items | - | - | 2.66 | - | - |
| | **Restated profit before tax** | **295.41** | **92.88** | **4.80** | **100.19** | **29.08** |
| | **Less: Tax expense** | | | | | |
| | Current tax | 94.54 | 18.84 | 4.31 | 44.22 | 11.74 |
| | Deferred tax (credit) / charge | 13.33 | 17.41 | 4.67 | (3.31) | 5.35 |
| D | **Restated profit/ (loss) for the year** | **187.54** | **56.63** | **(4.18)** | **59.28** | **11.99** |
| E | **Other comprehensive income ('OCI')** | | | | | |
| | **Items that will not to be reclassified to profit or loss:** | | | | | |
| | Remeasurement gains / (losses) on defined benefit plans | (4.02) | 0.03 | (1.72) | (0.65) | 0.37 |
| | Income tax effect on above | 1.39 | (0.01) | 0.57 | 0.22 | (0.12) |
| | **Restated OCI for the year, net of tax** | **(2.63)** | **0.02** | **(1.15)** | **(0.43)** | **0.25** |
| F | **Restated total comprehensive income for the year** | **184.91** | **56.65** | **(5.33)** | **58.85** | **12.24** |
| G | **Earnings per equity share of ₹ 5/- each (post sub-division of equity shares subsequent to balance sheet date)** | | | | | |
| | Basic and diluted (₹) | **5.22** | **5.22** | **(0.40)** | **5.65** | **1.14** |

**Restated Ind AS Standalone Statement of Cash Flows**

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| A | **Cash flow from operating activities:** | | | | | |
| | Profit before tax (as restated) | 295.41 | 92.88 | 4.80 | 100.19 | 29.08 |
| | **Adjusted for non-cash/ non-operating item:** | | | | | |
| | Depreciation and amortisation expense | 41.80 | 33.81 | 26.95 | 20.07 | 25.48 |
| | Interest expenses | 35.17 | 45.43 | 39.76 | 39.51 | 44.26 |
| | Bad debts written off / Allowance for expected credit loss | 6.99 | 2.72 | 7.62 | 7.35 | 4.19 |
| | Loss on disposal of property, plant and equipment (net) | 0.80 | 0.22 | 3.01 | 0.02 | 1.19 |
| | Interest income | (0.91) | (0.83) | (1.74) | (3.61) | (0.60) |
| | Liabilities no longer required written back | - | - | - | - | (0.77) |
| | Profit on conversion of preference shares | - | - | (2.66) | - | - |
| | Profit on sale of investment | - | (0.25) | - | - | - |
| | | **379.26** | **173.98** | **77.74** | **163.53** | **102.83** |
| | **Movement in working capital** | | | | | |
| | (Increase)/ Decrease in trade receivables | (479.87) | (20.61) | (346.67) | (161.34) | (14.26) |
| | (Increase)/ Decrease in other financial assets | 29.66 | (4.40) | (21.57) | 33.64 | (55.23) |
| | (Increase)/ Decrease in other assets | (78.34) | (1.05) | 31.76 | (24.32) | 0.37 |
| | Increase/(Decrease) in trade payables | 425.63 | 124.72 | 258.36 | 79.42 | 120.30 |
| | Increase/ (Decrease) in provisions | 6.30 | 3.45 | (12.00) | 13.16 | 3.42 |
| | Increase/ (Decrease) in other liabilities | 20.15 | (11.50) | (2.99) | 58.26 | 4.14 |
| | **Cash flow generated from/ (used in) operations** | **302.79** | **264.59** | **(15.37)** | **162.35** | **161.57** |
| | Taxes paid (net) | (120.89) | (51.97) | (52.24) | (42.35) | (33.23) |
| | **Net cash flow generated from/ (used in) operating activities (A)** | **181.90** | **212.62** | **(67.61)** | **120.00** | **128.34** |
| B | **Cash flow from investing activities:** | | | | | |
| | Additions to property, plant and equipment | (13.04) | (43.07) | (72.61) | (12.24) | (9.17) |
| | Sale of property plant and equipment | 1.55 | - | 25.06 | 0.03 | 0.16 |
| | Sale proceeds of non-current - investments | - | 21.20 | - | - | - |
| | Interest income | 0.56 | 0.79 | 1.98 | 3.41 | 0.37 |
| | Other balances with bank (not forming a part of cash and cash equivalent or representing collection on behalf of the principal) | (1.90) | (2.48) | 33.68 | (19.55) | (20.47) |
| | **Net cash flow (used in) investing activities (B)** | **(12.83)** | **(23.56)** | **(11.89)** | **(28.35)** | **(29.11)** |
| C | **Cash flows from financing activities** | | | | | |
| | Proceeds from long term borrowings | - | 106.10 | 71.58 | 6.23 | - |
| | Repayment of long term borrowings | (18.06) | (98.84) | (31.02) | (50.66) | (30.27) |
| | Proceeds from loan repayable on demand from banks | 19.67 | (74.62) | 79.65 | 4.29 | (104.14) |
| | Redemption of preference share capital | (100.00) | - | - | - | - |

*(In ₹ million, unless otherwise stated)*

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| | Repayment of finance lease obligation | (23.48) | (67.42) | (18.26) | - | - |
| | Proceeds from issue of equity shares | - | - | - | - | 70.00 |
| | Share issue expenses | (0.57) | (5.33) | - | - | - |
| | Equity dividend including dividend distribution tax paid | (6.53) | - | (4.21) | (2.94) | - |
| | Preference dividends paid including distribution tax paid | (21.49) | (11.43) | (11.43) | (11.11) | (11.04) |
| | Interest paid | (25.11) | (29.31) | (25.08) | (28.08) | (33.15) |
| | **Net cash flow generated from/ (used in) financing activities (C)** | **(175.57)** | **(180.85)** | **61.23** | **(82.27)** | **(108.61)** |
| | **Net (decrease) / increase in cash and cash equivalents (A+B+C)** | **(6.50)** | **8.21** | **(18.27)** | **9.38** | **(9.37)** |
| | Cash and cash equivalents at the beginning of the year | 12.30 | 4.09 | 22.36 | 12.98 | 22.35 |
| | **Cash and cash equivalents at the end of the year** | **5.80** | **12.30** | **4.09** | **22.36** | **12.98** |

## THE ISSUE

The following table summarizes the Issue details:

| | | |
|---|---|---|
| Issue of Equity Shares of face value of ₹ 5 each [(1)(2)] | | Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million |
| *of which:* | | |
| (i) | Fresh Issue[(1)] | Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 3,000 million |
| (ii) | Offer for Sale[(2)] | Up to 4,300,000 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [●] million by the Selling Shareholder |
| | | |
| *of which:* | | |
| A) | QIB Portion[(3)(4)] | [●] Equity Shares of face value of ₹ 5 each |
| | *of which* | |
| | Anchor Investor Portion | Up to [●] Equity Shares of face value of ₹ 5 each |
| | Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares of face value of ₹ 5 each |
| | *of which:* | |
| | Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))[(3)] | [●] Equity Shares of face value of ₹ 5 each |
| | Balance of QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares of face value of ₹ 5 each |
| B) | Non-Institutional Portion[(3)] | Not less than [●] Equity Shares of face value of ₹ 5 each |
| C) | Retail Portion[(3)(4)] | Not less than [●] Equity Shares of face value of ₹ 5 each |
| | | |
| **Pre and post-Issue Equity Shares** | | |
| | | |
| Equity Shares outstanding prior to the Issue | | 35,928,150 Equity Shares of face value of ₹ 5 each |
| Equity Shares outstanding after the Issue | | [●] Equity Shares of face value of ₹ 5 each |
| | | |
| **Utilisation of Net Proceeds** | | See "*Objects of the Issue*" beginning on page 80 for information about the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale. |

(1) *The Fresh Issue has been authorised by our Board pursuant to resolution passed on May 24, 2018 and by our Shareholders pursuant to special resolution passed on June 4, 2018.*

(2) *The Offer for Sale has been authorised by the Selling Shareholder pursuant to its board resolution dated May 21, 2018.*
*The Selling Shareholder specifically confirms that the Offered Shares are eligible for the Issue in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholder in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 357.*

(3) *Subject to valid bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Issue, Equity Shares offered pursuant to the Fresh Issue shall be allocated prior to Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, Equity Shares offered pursuant to the Offer for Sale shall be allocated prior to Equity Shares offered pursuant to the Fresh Issue.*

(4) *Our Company and Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. In case of non-Allotment in the Anchor Investor Portion, 5% of the QIB Portion (excluding the Anchor Investor 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Issue Procedure" beginning on page 376.*

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. For further details, see "*Issue Procedure – Basis of Allotment*" beginning on page 405.

For details of the terms of the Issue, see "*Terms of the Issue*" beginning on page 370.

## GENERAL INFORMATION

Our Company was originally incorporated as Shreyas Shipping Services (India) Private Limited on March 17, 1994 at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the RoC. Subsequently, the name of our Company was changed to Shreyas Relay Systems Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on December 29, 2004. Further, upon conversion from a private limited company to a public limited company, the name of our Company was changed to Shreyas Relay Systems Limited and a certificate of change of name was granted by the RoC on May 6, 2005. Subsequently, the name of our Company was changed to Avana Logistek Limited and a certificate of incorporation pursuant to change of name was granted by RoC on April 17, 2018. For details pertaining to the changes in our name and the address of our Registered Office, see "*History and Certain Corporate Matters*" beginning on page 159. For details of the business of our Company, see "*Our Business*" beginning on page 142.

**Registered Office**

4th Floor, Himalayas
Geetmala Building
Near Shah Industrial Estate
Off Deonar Village Road
Govandi (East)
Mumbai 400 088
Tel: (91 22) 6789 5600
Fax: (91 22) 6789 5688
Email: investors.avana@transworld.com
Website: www.avanalogistek.com
Corporate Identity Number: U61100MH1994PLC077152
Registration Number: 077152

**Corporate Office**

1st Floor, Himalayas
Geetmala Building
Near Shah Industrial Estate
Off Deonar Village Road
Govandi (East)
Mumbai 400 088
Tel: (91 22) 6611 0300
Fax: (91 22) 6611 0419

**Address of the RoC**

Our Company is registered with the RoC, situated at the following address:

Registrar of Companies, Maharashtra at Mumbai
100, Everest
5th Floor
Marine Drive
Mumbai 400 002

**Board of Directors**

As on the date of this Draft Red Herring Prospectus, the Board of Directors of our Company consists of the following:

| Name | Designation | DIN | Address |
|---|---|---|---|
| Ramakrishnan Sivaswamy Iyer | Executive Chairman | 00057637 | P. O. Box No. 8458, UAE Dubai NA AE |
| Sundaresan Varadarajan | Managing Director | 07850694 | Westend, Flat No. 302, Sector 19A, Nerul, Navi Mumbai 400 706 |
| Ritesh Sivaswamy Ramakrishnan | Joint Managing Director | 05174818 | 1808, AL, Bateen Residences, P.O Box 122122, Dubai, U.A.E |
| Gopalakrishnan Nanjundaeswaran | Additional Director – Strategic Finance | 08112862 | 401, Gangatower, 4th Floor, Atur Park, Sion, Trombay Road, Chembur, Mumbai 400 071 |

| Name | Designation | DIN | Address |
|---|---|---|---|
| Captain Leslie Reis | Additional Non-Executive Director | 08106306 | Cordo Villa, 21 DR Peter Das Road Hill Road, Bandra, Mumbai 400 050 |
| Captain Milind Kashinath Patankar | Additional Non-Executive Director | 02444758 | 107, Atharva 1st Floor, 4th Road, Hindu Colony, Dadar, Mumbai 400 014 |
| Amitabha Jugalkishore Ghosh | Independent Director | 00055962 | Flat No. 32, Mehr Naz 91, Cuffe Parade, Mumbai 400 005 |
| Daniel Trevelyn Joseph | Independent Director | 01716572 | Flat No. 52, 5th Floor, Jasmine CHS Madhusudan Kelkar Marg, Bandra (East) Mumbai 400 051 |
| Hariharan Krishnier Padmanabhan | Independent Director | 00214284 | Villa - 66/2, Emirates Hill Third, Hattan Villas Dubai, 118 614 AE |
| Rani Ajit Jadhav | Independent Director | 07070938 | 409, Shalaka Maharshi Karve Road, Cooperage, Mumbai 400 021 |
| Anil Kumar Gupta | Additional Independent Director | 00066328 | A-82, Sector 46, Gautam Budh Nagar, Noida 201 303 |
| Maya Swaminathan Sinha | Additional Independent Director | 03056226 | Flat No. 8, Sangam Building, BPT Colony, Dumayne Road, Colaba, Mumbai 400 005 |

For further details of our Directors, see "*Our Management*" beginning on page 166.

**Chief Financial Officer**

**Sanjay Bohra**
4th Floor, Himalayas
Geetmala Building
Near Shah Industrial Estate
Off Deonar Village Road
Govandi (East)
Mumbai 400 088
Tel: (91 22) 6611 0400
Fax: (91 22) 6789 5688
Email: sbohra.avana@transworld.com

**Company Secretary and Compliance Officer**

**Namrata Malushte**
4th Floor, Himalayas
Geetmala Building
Near Shah Industrial Estate
Off Deonar Village Road
Govandi (East)
Mumbai 400 088
Tel: (91 22) 6611 0400
Fax: (91 22) 6789 5688
Email: investors.avana@transworld.com

**Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letter of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.**

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

**Book Running Lead Managers**

**ICICI Securities Limited**
ICICI Center, H.T. Parekh Marg,
Churchgate, Mumbai 400 020
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
Email: avana.ipo@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Rishi Tiwari / Suyash Jain
SEBI Registration Number: INM000011179

**Axis Capital Limited**
1st floor, Axis House
C 2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Tel: (91 22) 4325 2183
Fax: (91 22) 4325 3000
Email: avana.ipo@axiscap.in
Investor Grievance Email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Mayuri Arya/ Mangesh Ghogle
SEBI Registration Number: INM000012029

**Syndicate Members**

[●]

**Legal Advisors to the Issue**

**Indian Legal Counsel to our Company and the Selling Shareholder**

**Cyril Amarchand Mangaldas**
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

**Indian Legal Counsel to the Book Running Lead Managers**

**J. Sagar Associates**
Vakils House
18 Sprott Road
Ballard Estate, Mumbai
Maharashtra 400 001
Tel: (91 22) 4341 8600
Fax: (91 22) 4341 8617

**Statutory Auditors to our Company**

**M/s Deloitte Haskins & Sells LLP**
Indiabulls Finance Centre
Tower 3, 27-32 Floors
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400 013
Tel: (91 22) 6185 5381
Fax: (91 22) 6185 4501
Email: spilgaonkar@deloitte.com
Firm Registration Number: 117366W/W100018
Peer Review Number: 009919

**Registrar to the Issue**

**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, LBS Marg,
Vikhroli (West), Mumbai 400 083
Tel: (91 22) 4918 6200
Fax: (91 22) 4918 6195
Email: avana.ipo@linkintime.co.in,
Investor Grievance Email: avana.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

**Bankers to the Issue**

**Escrow Collection Bank(s)**

[●]

**Refund Bank(s)**

[●]

**Public Issue Bank(s)**

[●]

**Bankers and Lenders to our Company**

**HDFC Bank Limited**
B Wing, 5th Floor
Peninsula Business Park
Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 3395 8617/8618
Fax: Not applicable
Email: kartik.anantharaman@hdfcbank.com/
suresh.shanbhag@hdfcbank.com
Contact Person: Kartik Anantharaman and Suresh Shanbhag

**Axis Bank Limited**
Plot no. 20 C, Sona Building
Opposite BMCM Ward
Chembur
Mumbai 400 071
Tel: (91) 9167 000632
Fax: (91 22) 2527 5081
Email: chembur.operationshead@axisbank.com
Contact Person: Kiran Patwa

**RBL Bank**
One Indiabulls Centre, Tower 2B
6th Floor, 841, Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 4302 0600
Fax: (91 22) 4302 0520
Email: customercare@rblbank.com
Contact Person: Rahul Sikaria

**Special Advisor to the Company**

**Dhruva Advisors LLP**
1101& 1102 One India Bulls Centre
Tower 2B, 841, Senapati Bapat Marg
Elphinstone Road (West), Mumbai 400013
Tel: (91 22) 6109 1000
Fax: (91 22) 6108 1001
Email: dhruva@dhruvaadvisors.com

**Designated Intermediaries**

**Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.

**Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com and https://www.nseindia.com, respectively, as updated from time to time.

**Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

**Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

**Experts**

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

Our Company has received written consent dated June 15, 2018from the Statutory Auditors namely, M/s Deloitte Haskins & Sells LLP to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements, each dated June 6, 2018 and the statement of special tax benefits dated June 12, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

**Monitoring Agency**

[●] has been appointed as the Monitoring Agency for monitoring the utilization of net proceeds, as our Issue size (excluding the Offer for Sale by the Selling Shareholder) exceeds ₹ 1,000 million in accordance with Regulation 16 of the SEBI ICDR Regulations.

**Appraising Entity**

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

**Credit Rating**

As this is an issue of the equity shares, there is no credit rating required for the Issue.

**IPO Grading**

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

**Trustees**

As this is an issue of equity shares, the appointment of trustees is not required.

**Inter-se allocation of responsibilities**

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

| Sr. No. | Activity | Responsibility | Coordinator |
|---|---|---|---|
| 1. | Pre-Issue due diligence of our Company's operations/ management/ business plans/ legal. Drafting and designing of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same and drafting and approval of all statutory advertisements | I-Sec, Axis | I-Sec |
| 2. | Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments. | I-Sec, Axis | I-Sec |
| 3. | Appointment of advertising agency including co-ordination for agreements to appoint the ad agency and filing of media compliance report to SEBI. Appointment of Registrar to the Issue including co-ordination for agreements to appoint the Registrar to the Issue. Appointment of Banker(s) to the Issue and printer. | I-Sec, Axis | I-Sec |
| 4. | Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure | I-Sec, Axis | Axis |

| Sr. No. | Activity | Responsibility | Coordinator |
|---|---|---|---|
| 5. | International institutional marketing including co-ordination for research briefing, preparation and finalisation of the road-show presentation and frequently asked questions.<br><br>Selection and allocation of international institutional investors for meetings and finalization of roadshow schedules to be done in consultation and with approval of the management. | I-Sec, Axis | Axis |
| 6. | Domestic institutional marketing including banks/ mutual funds. Selection and allocation of domestic institutional investors to be done in consultation and with approval of the management. | I-Sec, Axis | I-Sec |
| 7. | Non-Institutional marketing of the Issue and retail marketing of the Issue, which will cover, inter alia:<br><br>• Formulating marketing strategies;<br><br>• preparation of publicity budget, finalizing media and public relations strategy.<br><br>• Finalizing centres for holding conferences for brokers<br><br>• Finalizing collection centres; and<br><br>• Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material. | I-Sec, Axis | Axis |
| 8. | Coordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading and anchor investor intimation | I-Sec, Axis | Axis |
| 9. | Pricing and managing the book and payment of 1% security deposit to the designated stock exchange | I-Sec, Axis | I-Sec |
| 10. | Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc.<br><br>Post-Issue activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and co-ordination with various agencies connected with the post-Issue activity such as registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable.<br><br>Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004<br><br>Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Issue reports including the initial and final post Issue report to SEBI | I-Sec, Axis | Axis |

**Book Building Process**

The book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application forms within the Price Band, which will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, and which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] edition of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers after the Bid/Issue Closing Date.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue.**

**In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**

For further details on the method and procedure for Bidding, see "*Issue Structure*" and "*Issue Procedure*" beginning on pages 374 and 376, respectively.

**Illustration of Book Building and Price Discovery Process**

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure – Basis of Allocation - Illustration of the Book Building Process and Price Discovery Process*" beginning on page 404.

**Underwriting Agreement**

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be 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, Address, Telephone Number, Fax Number and Email of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten (in ₹ million) |
|---|---|---|
| [●] | [●] | [●] |
| [●] | [●] | [●] |
| [●] | [●] | [●] |

The above-mentioned underwriting commitments are indicative and will be finalised after pricing of the Issue and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on certificates provided 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 the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, 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 commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. 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 subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Issue shall be as per the Underwriting Agreement.

## CAPITAL STRUCTURE

The equity and preference share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below.

*(In ₹ except share data)*

| Sr. No. | Particulars | Aggregate value at face value | Aggregate value at Issue Price |
|---|---|---|---|
| **A.** | **AUTHORIZED SHARE CAPITAL** | | |
| | 50,000,000 Equity Shares of face value of ₹ 5 each | 250,000,000 | |
| | 1,000,000 Preference Shares of face value of ₹ 100 each | 100,000,000 | |
| | **Total** | **350,000,000** | |
| | | | |
| **B.** | **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE** | | |
| | 35,928,150 Equity Shares of face value of ₹ 5 each | 179,640,750 | |
| | | | |
| | | | |
| **C.** | **PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS** | | |
| | Issue of up to [●] Equity Shares of face value of ₹ 5 each(1)(2) | [●] | [●] |
| | *of which* | | |
| | Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,000 million(1) | [●] | [●] |
| | Offer for Sale of up to 4,300,000 Equity Shares aggregating up to ₹[●] million(2) | [●] | [●] |
| | | | |
| **D.** | **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE** | | |
| | [●] Equity Shares of face value of ₹ 5 each | [●] | [●] |
| | | | |
| **E.** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Issue | 3,497.03 | |
| | After the Issue | [●] | |

*(1) The Fresh Issue has been authorized by our Board of Directors pursuant to a resolution passed on May 24, 2018 and by our Shareholders pursuant to a special resolution passed on June 4, 2018.*

*(2) The Offered Shares have been held by the Selling Shareholder for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 26(6) of the SEBI ICDR Regulations and accordingly, are eligible for the Issue in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholder in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page* 357.

**Changes in the Authorised Share Capital of our Company**

1. The initial authorised share capital of our Company was increased from ₹ 500,000 comprising 50,000 Equity Shares of ₹ 10 each to ₹ 20,000,000 comprising 2,000,000 Equity Shares of face value of ₹ 10 and pursuant to a resolution passed by our Shareholders on July 4, 2005.

2. The authorised share capital of our Company was increased from ₹ 20,000,000 comprising 2,000,000 Equity Shares of ₹ 10 each to ₹ 30,000,000 comprising 3,000,000 Equity Shares of face value of ₹ 10 each pursuant to a resolution passed by our Shareholders on October 30, 2006.

3. The authorised share capital of our Company was increased from ₹ 30,000,000 comprising 3,000,000 Equity Shares of ₹ 10 each to ₹ 130,000,000 comprising 3,000,000 Equity Shares of face value of ₹ 10 each and 1,000,000 preference shares of ₹ 100 each pursuant to a resolution passed by our Shareholders on August 13, 2008.

4. The authorised share capital of our Company was increased from ₹ 130,000,000 comprising 3,000,000 Equity Shares of ₹ 10 each and 1,000,000 Preference Shares of ₹ 100 each to ₹ 160,000,000 comprising 6,000,000 Equity Shares of face value of ₹ 10 each and 1,000,000 Preference Shares of ₹ 100 each pursuant to a resolution passed by our Shareholders on August 26, 2013.

5. The authorised share capital of our Company was increased from ₹ 160,000,000 comprising 6,000,000 Equity Shares of ₹ 10 each and 1,000,000 Preference Shares of ₹ 100 each to ₹ 250,000,000 comprising 15,000,000 Equity Shares of face value of ₹ 10 each and 1,000,000 Preference Shares of ₹ 100 each pursuant to a resolution passed by our Shareholders on March 10, 2017.

6. The authorised share capital of our Company was sub-divided from ₹ 250,000,000 comprising 15,000,000 Equity Shares of face value of ₹ 10 each and 1,000,000 Preference Shares of ₹ 100 each to ₹ 250,000,000 comprising 30,000,000 Equity shares of face value of ₹ 5 each and 1,000,000 Preference Shares of ₹ 100 each pursuant to a resolution passed by our Shareholders on April 30, 2018.

7. The authorised share capital of our Company was increased from ₹ 250,000,000 comprising 30,000,000 Equity Shares of face value of ₹ 5 each and 1,000,000 Preference Shares of ₹ 100 each to ₹ 350,000,000 comprising 50,000,000 Equity Shares of face value of ₹ 5 each and 1,000,000 Preference Shares of ₹ 100 each pursuant to a resolution passed by our Shareholders on April 30, 2018.

1. **Notes to the capital structure**

*Equity Share capital history of our Company*

The history of the Equity Share capital of our Company is set forth in the table below.

| Date of allotment | Number of equity shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason for allotment | Cumulative number of Equity Shares | Cumulative paid-up Equity Share capital |
|---|---|---|---|---|---|---|---|
| March 21, 1994 | 20 | 10 | 10 | Cash | Initial subscription to the Memorandum of Association(1) | 20 | 200 |
| December 11, 2002 | 10,000 | 10 | 10 | Cash | Preferential allotment(2) | 10,020 | 100,200 |
| February 24, 2005 | 39,980 | 10 | 10 | Cash | Preferential allotment(3) | 50,000 | 500,000 |
| July 22, 2005 | 450,000 | 10 | 10 | Cash | Rights issue(4) | 500,000 | 5,000,000 |
| December 22, 2006 | 2,000,000 | 10 | 10 | Cash | Rights issue(5) | 2,500,000 | 25,000,000 |
| September 23, 2013 | 1,000,000 | 10 | 70 | Cash | Conversion of unsecured loan availed from Shreyas Shipping(6) | 3,500,000 | 35,000,000 |
| March 27, 2017 | 8,476,050 | 10 | 423.43 | - | Preferential allotment(7) | 11,976,050 | 119,760,500 |
| April 30, 2018 | Pursuant to the resolution of our Shareholders on April 30, 2018, our Company sub-divided its equity shares from face value of ₹ 10 each to face value of ₹ 5 each. Therefore, the cumulative number of Equity Shares pursuant to the sub-division is 23,952,100. | | | | | | |
| May 24, 2018 | 11,976,050 | 5 | - | - | Bonus issue(8) | 35,928,150 | 179,640,750 |

(1) *Allotment of 10 Equity Shares each to Varadharajan Ramanarayan and Sivaswamy Mahesh.*

(2) *Allotment of 5,000 Equity Shares each to Sivaswamy Mahesh and Ramakrishnan Sivaswamy Iyer on a preferential basis.*

(3) *Allotment of 11,300 Equity Shares, 16,290 Equity Shares, 11,290 Equity Shares and 1,100 Equity Shares to Geeta Ramakrishnan, Brinda Ramnarayan, Mala Mahesh and Shreyas Shipping, respectively, on a preferential basis.*

(4) *Allotment of 450,000 Equity Shares to Shreyas Shipping on rights basis.*

(5) *Allotment of 2,000,000 Equity Shares to Shreyas Shipping on rights basis.*

(6) *Allotment of 1,000,000 Equity Shares to Shreyas Shipping pursuant to conversion of unsecured loan availed from Shreyas Shipping.*

(7) *Allotment of 8,476,050 Equity Shares to Transworld Holdings pursuant to execution of the Avana Global SPA.*

(8) *Allotment of 8,476,050 Equity Shares and 3,500,000 Equity Shares to Transworld Holdings and Shreyas Shipping, respectively.*

*Preference Share capital history of our Company*

The history of the Preference Share capital of our Company is set forth in the table below.

| Date of allotment | Number of non-convertible cumulative redeemable Preference Shares allotted | Face value (₹) | Issue price per non-convertible cumulative redeemable Preference Share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Date of redemption |
|---|---|---|---|---|---|---|---|
| September 27, 2008 | 1,000,000 | 100 | 100 | Cash(1) | 1,000,000 | 100,000,000 | March 27, 2012 |
| March 28, 2012 | 1,000,000 | 100 | 100 | Cash(2) | 1,000,000 | 100,000,000 | February 15, 2018 |

(1) *Allotment of 1,000,000 11% non-convertible cumulative redeemable Preference Shares to Shreyas Shipping pursuant to the Board resolution passed on September 27, 2008. The Preference Shares have been redeemed by our Company pursuant to Board resolution dated March 27, 2012.*

(2) *Allotment of 1,000,000 9.5% non-convertible cumulative redeemable Preference Shares to Transworld Shipping & Logistics Limited and Crescent Shipping Agency (India) Limited pursuant to the Board resolution passed on March 28, 2012. The Preference Shares have been redeemed by our Company on February 15, 2018 and taken on record pursuant to Board resolution dated February 26, 2018.*

2. **Issue of Equity Shares at price lower than the Issue Price in the last year**

Except as disclosed below, our Company has not issued any Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

| Date of allotment | Names of allottees | Number of equity shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason for allotment |
|---|---|---|---|---|---|---|
| May 24, 2018 | Allotment to our Promoters | 11,976,050* | 5 | - | - | Bonus issue |

* *Allotment of 8,476,050 Equity Shares and 3,500,000 Equity Shares to Transworld Holdings and Shreyas Shipping, respectively.*

3. **Issue of Equity Shares in the last two years**

For details of issue of Equity Shares by our Company in the two immediately preceding years from the date of this Draft Red Herring Prospectus, see "- *Equity Share Capital History of our Company*" beginning on page 72.

4. **Issue of Equity Shares and Preference Shares through bonus issue or for consideration other than cash or out of revaluation reserves**

Except as disclosed below, our Company has not issued any Equity Shares or Preference Shares through bonus issue, out of revaluation of reserves or for consideration other than cash at any time since incorporation.

| Date of allotment | Number of equity shares allotted | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| May 24, 2018 | 11,976,050 | 5 | - | - | Bonus issue | - |

5. **History of the Equity Share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters, Transworld Holdings and Shreyas Shipping (including three Equity Shares each held by our Promoters, Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Anisha Ramakrishnan and six Equity Shares held by Ritesh Sivaswamy Ramakrishnan, jointly with Shreyas Shipping) hold 35,928,150 Equity Shares, equivalent to 100 % of the issued, subscribed and paid-up Equity Share capital of our Company.

*Build-up of the shareholding of our Promoters in our Company*

The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below.

| Date of allotment/ transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share (₹) | Issue price/ transfer price per Equity Share (₹) | Percentage of the pre-Issue capital (%) | Percentage of the post-Issue capital (%) |
|---|---|---|---|---|---|---|---|
| ***Transworld Holdings*** | | | | | | | |
| March 27, 2017 | Preferential allotment | 8,476,050 | - | 10 | 423.43 | 47.18 | [●] |
| May 24, 2018 | Bonus issue | 8,476,050 | - | 5 | - | 23.59 | [●] |
| **Total (A)** | | **25,428,150**** | | | | **70.78** | |
| ***Shreyas Shipping*** | | | | | | | |
| February 24, 2005 | Preferential allotment | 1,100 | Cash | 10 | 10 | Negligible | [●] |
| July 22, 2005 | Rights issue | 450,000 | Cash | 10 | 10 | 2.51 | [●] |
| September 9, 2005 | Transfer of shares | 48,900* | Cash | 10 | 10 | 0.27 | [●] |
| December 22, 2006 | Rights issue | 2,000,000 | Cash | 10 | 10 | 11.13 | [●] |
| September 23, 2013 | Conversion of unsecured loan availed from Shreyas Shipping | 1,000,000 | Cash | 10 | 70 | 5.57 | [●] |
| May 24, 2018 | Bonus issue | 3,500,000 | - | 5 | - | 9.74 | [●] |
| **Total (B)** | | **10,500,000***** | | | | **29.22** | |
| ***Ramakrishnan Sivaswamy Iyer*** | | | | | | | |
| December 11, 2002 | Preferential allotment | 5,000 | Cash | 10 | 10 | 0.01 | [●] |
| September 9, 2005 | Transfer of shares | (5,000) | Cash | 10 | 10 | 0.01 | [●] |
| **Total (C)** | | **Nil** | | | | **Nil** | |
| ***Geeta Ramakrishnan*** | | | | | | | |
| February 24, 2005 | Preferential allotment | 11,300 | Cash | 10 | 10 | 0.03 | [●] |
| September 9, 2005 | Transfer of shares | (11,300) | Cash | 10 | 10 | 0.03 | [●] |
| **Total (D)** | | **Nil** | | | | **Nil** | |
| **Total (A+B+C+D)** | | **35,928,150** | | | | **100** | **[●]** |

* *This includes eighteen Equity Shares held jointly by Shreyas Shipping, of which Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Anisha Ramakrishnan and Upasana Gala hold three Equity Shares each jointly with Shreyas Shipping and Ritesh Sivaswamy Ramakrishnan holds six Equity Shares jointly with Shreyas Shipping.*

** *Pursuant to the resolution passed by our Shareholders on April 30, 2018, our Company sub-divided its equity shares from face value of ₹10 each to face value of ₹ 5 each with effect from April 30, 2018. Therefore, the cumulative number of equity shares held by Transworld Holdings post the sub-division but prior to the bonus issuance was 16,952,100 Equity Shares.*

*** *Pursuant to the resolution passed by our Shareholders on April 30, 2018, our Company sub-divided its equity shares from face value of ₹10 each to face value of ₹ 5 each with effect from April 30, 2018. Therefore, the cumulative number of equity shares held by Shreyas Shipping post the sub-division but prior to the bonus issuance was 7,000,000 Equity Shares.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares.

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

6. **Shareholding of our Promoters and Promoter Group**

Our Promoters, Transworld Holdings and Shreyas Shipping (including three Equity Shares each held by our Promoters, Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Anisha Ramakrishnan and six Equity Shares held by Ritesh Sivaswamy Ramakrishnan, jointly with Shreyas Shipping) hold 35,928,150 Equity Shares in our Company, which is equivalent to 100% of the issued, subscribed and paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus. Further, Upasana Gala, an individual forming part of our Promoter Group holds three Equity Shares, jointly with Shreyas Shipping in our Company as on the date of this Draft Red Herring Prospectus.

Further, Ramakrishnan Sivaswamy Iyer andRitesh Sivaswamy Ramakrishnan, directors of our Promoters, Shreyas Shipping and Transworld Holdings, and Geeta Ramakrishnan, director of our Promoter, Transworld Holdings, hold Equity Shares in our Company as stated above.

7. **Details of Promoters' contribution and lock-in**

(i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment, and the Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital of our Company shall be locked in for a period of one year from the date of Allotment.

(ii) Details of the Equity Shares to be locked-in for three years from the date of Allotment as minimum Promoter's contribution are set forth in the table below.

| Name of Promoter | Date of allotment of the Equity Shares* | Date of transaction and when made fully paid-up | Nature of transaction | Number of Equity Shares | Face Value (₹) | Issue/ acquisition price per Equity Share (₹) | Number of Equity Shares locked-in | Percentage of the post-Issue paid-up capital (%) |
|---|---|---|---|---|---|---|---|---|
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| | **Total** | | | [●] | | | [●] | [●] |

* *All Equity Shares allotted to our Promoters were fully paid-up at the time of allotment.*

(iii) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

a. The Equity Shares offered for Promoters' contribution do not include Equity Shares acquired in the three immediately preceding years for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, or resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' contribution;

b. The Promoters' contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

c. Our Company has not been formed by the conversion of a partnership firm into a company;

d. The Equity Shares forming part of the Promoters' contribution are not subject to any pledge; and

e. All the Equity Shares held by our Promoters shall be held in dematerialised form prior to filing of the Red Herring Prospectus.

*Other lock-in requirements:*

(i) In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by the Promoters and locked in for three years as specified above, the entire pre-Issue Equity Share capital of our Company, (other than the Equity Shares offered pursuant to the Offer for Sale) will be locked-in for a period of one year from the date of Allotment. Any unsubscribed portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

(ii) The Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

(iii) The Equity Shares held by the Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

(iv) The Equity Shares held by persons other than the Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

(v) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

8. **History of the Equity Share Capital held by the Selling Shareholder**

As on the date of this Draft Red Herring Prospectus, the Selling Shareholder holds 25,428,150 Equity Shares, constituting 70.78 % of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company in the following manner:

| Date of allotment/ transfer | Nature of transaction | Number of Equity Shares | Nature of consideration | Face value per Equity Share (₹) | Issue price/ transfer price per Equity Share (₹) | Percentage of the pre-Issue capital (%) | Percentage of the post-Issue capital (%) |
|---|---|---|---|---|---|---|---|
| ***Transworld Holdings*** | | | | | | | |
| March 27, 2017 | Preferential allotment | 8,476,050 | - | 10 | 423.43 | 23.59 | [●] |
| May 24, 2018 | Bonus issue | 8,476,050 | - | 5 | - | 23.59 | [●] |
| **Total** | | **25,428,150**** | | | | **70.78** | |

** *Pursuant to the resolution passed by our Shareholders on April 30, 2018, our Company sub-divided its equity shares from face value of ₹10 each to face value of ₹ 5 each with effect from April 30, 2018. Therefore, the cumulative number of equity shares held by Transworld Holdings post the sub-division but prior to the bonus issuance was 16,952,100 Equity Shares.*

9. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid up equity shares held (IV) | Number of Partly paid-up equity shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+ C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class eg: Equity Shares | Class eg: Others | Total | | | | | | | | |
| **(A)** | **Promoter and Promoter Group** | 7 | 35,928,150 | Nil | Nil | 35,928,150 | 100 | 100% | Nil | 100% | 100% | Nil | Nil | Nil | | Nil | | Nil |
| **(B)** | **Public** | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | | Nil | | Nil |
| **(C)** | **Non Promoter-Non Public** | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | | Nil | | Nil |
| **(C1)** | **Shares underlying DRs** | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | | Nil | | Nil |
| **(C2)** | **Shares held by Employee Trusts** | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | | Nil | | Nil |
| | **Total** | **7** | **35,928,150** | **Nil** | **Nil** | **35,928,150** | **100** | **100%** | **Nil** | **100%** | **100%** | **Nil** | **Nil** | **Nil** | | **Nil** | | **Nil** |

10. **Details of equity shareholding of the 10 largest equity Shareholders of our Company**

(i) The largest equity Shareholders and the number of equity shares held by them as on the date of this Draft Red Herring Prospectus is set forth in the table below.

| Sr. No. | Name of the Shareholder | Number of equity shares | Percentage of the pre- Issue Equity Share capital (%) |
|---|---|---|---|
| 1. | Transworld Holdings | 25,428,150 | 70.78 |
| 2. | Shreyas Shipping | 10,500,000* | 29.22 |
| | **Total** | **35,928,150** | **100** |

* *This includes eighteen equity shares held jointly by Shreyas Shipping, of which Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Anisha Ramakrishnan and Upasana Gala hold three equity shares each jointly with Shreyas Shipping and Ritesh Sivaswamy Ramakrishnan holds six equity shares jointly with Shreyas Shipping.*

(ii) The largest equity Shareholders and the number of equity shares held by them 10 days prior to the date of this Draft Red Herring Prospectus is set forth in the table below.

| Sr. No. | Name of the Shareholder | Number of equity shares | Percentage of the pre- Issue Equity Share capital (%) |
|---|---|---|---|
| 1. | Transworld Holdings | 25,428,150 | 70.78 |
| 2. | Shreyas Shipping | 10,500,000* | 29.22 |
| | **Total** | **35,928,150** | **100** |

* *This includes eighteen equity shares held jointly by Shreyas Shipping, of which Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Anisha Ramakrishnan and Upasana Gala hold three equity shares each jointly with Shreyas Shipping and Ritesh Sivaswamy Ramakrishnan holds six equity shares jointly with Shreyas Shipping.*

(iii) The largest equity Shareholders and the number of equity shares held by them two years prior to the date of this Draft Red Herring Prospectus is set forth in the table below:

| Sr. No. | Name of the Shareholder | Number of equity shares | Percentage of the pre- Issue capital (%) |
|---|---|---|---|
| 1. | Shreyas Shipping | 3,500,000* | 100 |
| | **Total** | **3,500,000** | **100** |

* *This includes eighteen equity shares held jointly by Shreyas Shipping, of which Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Anisha Ramakrishnan and Upasana Gala hold three Equity Shares each jointly with Shreyas Shipping and Ritesh Sivaswamy Ramakrishnan holds six Equity Shares jointly with Shreyas Shipping.*

11. **ESOP Scheme 2018**

Pursuant to the resolution passed by our Board on April 26, 2018 and by our Shareholders on April 30, 2018, our Company has instituted the Avana Logistek Limited Employee Stock Option Plan 2018 ("**ESOP Scheme 2018**") for the issue of options exercisable into Equity Shares not exceeding 2.5% of the equity share capital of our Company. As per ESOP Scheme 2018, the eligible employees include permanent employees of our Company working in India or abroad, directors of our Company and permanent employees and directors of the Subsidiaries. Whilst vesting of options is linked to continuous employment with our Company, the options granted under ESOP Scheme 2018 shall vest not earlier than one year and not later than seven years from the date of the grant of such option. Further, the options may be exercised within a period of five years from the date of the grant of such options or three years from the date of vesting in accordance with ESOP Scheme 2018, as may be decided by the Board or a committee thereof, from time to time. As on the date of this Draft Red Herring Prospectus, no options have been granted, vested or exercised under ESOP Scheme 2018.

12. Except Ramakrishnan Sivaswamy Iyer and Ritesh Sivaswamy Ramakrishnan, none of our Directors or Key Management Personnel hold any Equity Shares of our Company.

13. All Equity Shares Allotted pursuant to the Issue will be fully paid-up at the time of Allotment and there are no partly-paid up Equity Shares as on the date of this Draft Red Herring Prospectus.

14. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Managers and their respective associates do not hold any Equity Shares in our Company.

15. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013.

16. Except as disclosed in "*Notes to Capital Structure*", our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

17. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by our Company or the Promoters to the persons who are Allotted Equity Shares.

18. None of the members of the Promoter Group, or the directors of the Promoters, or Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

19. As on the date of filing of this Draft Red Herring Prospectus, our Company has seven Shareholders.

20. Neither our Company, nor the Directors have entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person. Further, the Book Running Lead Managers have not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.

21. Any oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot.

22. Our Promoters and Promoter Group will not participate in the Issue.

23. There have been no financing arrangements whereby the members of the Promoter Group, or the directors of the Promoters, or Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

24. Other than the Equity Shares which may be issued pursuant to the Issue, our Company presently does not intend or propose to alter its 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 by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or qualified institutions placement, or otherwise.

25. The Issue is being made through the Book Building Process in terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Such inter-se spill over, if any, would be effected in accordance with applicable laws.

26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

27. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

28. No person connected with the Issue, including, but not limited to, the Book Running Lead Managers, the members of the Syndicate, our Company, the Directors, the Promoters and members of the Promoter Group, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise to any Bidder for making a Bid.

29. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

## OBJECTS OF THE ISSUE

The Issue comprises of the Fresh Issue and the Offer for Sale.

**Offer for Sale**

The Selling Shareholder will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of Issue related expenses. We will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

**Fresh Issue**

***Requirement of funds***

We propose to utilise the Net Proceeds towards funding the following objects:

a) Capital expenditure for setting up of new dry warehouses and cold storages;

b) Repayment/prepayment of certain borrowings of our Company;

c) Acquisition of containers for coastal and liner services;

d) Expenditure towards software development, implementation and maintenance; and

e) General corporate purposes,

(collectively referred to herein as the "**Objects**").

In addition, we expect to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

The objects clause as set out in the Memorandum of Association enables our Company to undertake the existing activities and the activities for which funds are being raised by us through the Fresh Issue. Further, the loans availed by us which are proposed to be repaid or pre-paid, in full or part, from the Net Proceeds are for activities carried out as enabled by the objects clause of the Memorandum of Association.

| Particulars | Amount (in ₹ million)* |
|---|---|
| Gross proceeds of the Fresh Issue | 3,000 |
| Issue related expenses in relation to the Fresh Issue* | [●] |
| Net Proceeds* | [●] |

* *To be determined upon finalisation of the Issue Price.*

**Utilisation of net proceeds**

| Particulars | Amount (in ₹ million) |
|---|---|
| Capital expenditure for setting up of new dry warehouses and cold storages | 879.73 |
| Repayment/prepayment of certain borrowings of our Company | 700.00 |
| Acquisition of containers for coastal and liner services | 573.60 |
| Expenditure towards software development, implementation and maintenance | 99.95 |
| General corporate purposes(1) | [●] |
| **Net Proceeds** | [●] |

(1) *To be determined upon finalisation of the Issue Price.*

**Schedule of Implementation and Deployment of Net Proceeds**

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

| Particulars | Total estimated cost (in ₹ million) | Amount to be funded from the Net Proceeds (in ₹ million) | Estimated schedule of deployment of Net Proceeds in Financial Year 2019 (in ₹ million) | Estimated schedule of deployment of Net Proceeds in Financial Year 2020 (in ₹ million) | Estimated schedule of deployment of Net Proceeds in Financial Year 2021 (in ₹ million) |
|---|---|---|---|---|---|
| Capital expenditure for setting up of new dry warehouses and cold storages | 879.73 | 879.73 | 314.16 | 565.57 | - |
| Repayment/prepayment of certain borrowings of our Company | 700.00 | 700.00 | 400.00 | 300.00 | - |
| Acquisition of containers for coastal and liner services | 573.60 | 573.60 | 317.00 | 256.60 | - |
| Expenditure towards software development, implementation and maintenance | 99.95 | 99.95 | 59.69 | 20.13 | 20.13 |
| General corporate purposes* | [●] | [●] | [●] | [●] | [●] |

* *To be determined upon finalisation of the Issue Price.*

In view of the competitive environment of the industry in which we operate as well as the competitive nature of the industry, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. For some of objects, we have obtained quotations from relevant vendors and such quotations are based on certain assumptions such as standard inflation based on past rates and experience, currency conversion rates, availability of the products and raw materials and accordingly, the rates provided under these quotations are subject to any variation in any of these assumptions in the future. For further details, see "*Risk Factors – Our management will have broad discretion in determining the utilisation of the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution.*" on pages 20 and 21.

In case of any increase in the actual utilisation of funds earmarked for any of the objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by way of means available to us, including by way of incremental debt or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes in accordance with applicable laws.

**Means of Finance**

The fund requirements set out below are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals.

**1. Capital expenditure for setting up of new dry warehouses and cold storages**

As a part of our strategy of providing enhanced end to end services by introducing additional VAS offerings through our service infrastructure, we intend to set up new warehouses and cold storage infrastructure, network and service offerings in various regions of India, to provide additional logistics and operational support and solutions to our expansive network across India.

According to the CRISIL report, cold-chain industry is expected to grow at 13-15% CAGR from ₹ 248 billion in Fiscal 2017 to ₹ 472 billion in Fiscal 2022, primarily driven by temperature-controlled warehouses, which account for over 90% of industry revenue. To enhance our position within this segment, we intend to set up temperature controlled storages and an integrated F&V handling centre. We intend to build multi-temperature storage and distribution centers in major cities.

According to the CRISIL report, the warehousing industry in India is expected to grow at 6-8% CAGR in square feet terms from Fiscals 2018 to 2021, driven by industrial segment. The warehousing, distribution and transportation services to be provided by us includes, palletized and non-palletised storage, oversize cargo storage, open yard storage, dangerous goods storage, 3PL services.

The establishment of additional warehouses and cold storage infrastructure will enable us to implement superior operational control and increase cost efficiencies through use of own fleet of delivery vehicles and implementation of centralized logistics and delivery control processes. We believe this will also enable us to further integrate delivery routes, optimize load factors, ensure delivery schedules and increase cost efficiencies. Growing our own logistics capabilities will also enable us to better plan future expansion of our integrated ecosystem and customer network.

## A. *Setting up of dry warehouses*

We propose to set up three dry warehouses in Fiscal 2019 and dry warehouses with an aggregate area of 600,000 sq. ft. at various locations in Fiscal 2020 from utilisation of an aggregate amount of ₹ 225.27 million of the Net Proceeds. The break-up of the utilisation of Net Proceeds during Fiscals 2019 and 2020 in setting up of dry warehouses is set out below:

| Fiscal | Estimated cost (in ₹ million) |
|---|---:|
| 2019 | 95.83 |
| 2020 | 129.44 |
| **Total** | **225.27** |

### *(i) Dry warehouses to be set up in Fiscal 2019*

In Fiscal 2019, we propose to utilise ₹ 95.83 million for the purposes of constructing three dry warehouses at Bhiwandi, Thane. We believe that Bhiwandi is a dry warehouse hub and setting up dry warehouses at Bhiwandi will provide us with necessary demand and accessibility to the ultimate consumers. Our Company has executed letters of intent with relevant landowners for lease of each of the dry warehouses proposed to be set up at different locations at Bhiwandi and is subject to execution of lease deed. The details of the arrangement for each of these locations are set out below:

| Location | Area (in sq. ft.) | Lessor | Date of Letter of Intent | Lease period | Monthly Lease Rental (in ₹ million) |
|---|---:|---|---|---|---:|
| Janval village, Bhiwandi Taluka | 104,687 | Global Logistics Company | May 4, 2018 | 5 years from the date of execution of lease deed | 1.23 |
| Kuksa Borivali village, Bhiwandi Taluka | 270,000 | Global Realty Infra | May 4, 2018 | 5 years from the date of execution of lease deed | 4.45 |
| Lonad village, Bhiwandi Taluka | 97,500 | Paramount Realators | May 4, 2018 | 5 years from the date of execution of lease deed | 1.56 |

**Cost estimation for three dry warehouses at Bhiwandi, Mumbai**

We have obtained quotations from Nutris Project Engineers & Consultants dated May 28, 2018 (the "**Nutris Quotations**") for the purposes of estimation of cost involved in setting up three dry warehouses at Bhiwandi, Mumbai. The detailed break-up of these estimated costs is set forth below:

*Dry warehouse at Janval village, Bhiwandi Taluka*

| Particulars | Proposed cost (in ₹ million) |
|---|---:|
| Storage | 6.01 |
| Material handling equipments | 7.52 |
| Office setup | 3.80 |
| Electrical, CCTV, access control and LAN | 5.16 |
| Contingency at 7% | 1.57 |
| **Total** | **24.06** |

*Dry warehouse at Kuksa Borivali village, Bhiwandi Taluka*

| Particulars | Proposed cost (in ₹ million) |
|---|---:|
| Storage | 14.20 |
| Material handling equipments | 12.82 |
| Office setup | 6.81 |
| Electrical, CCTV, access control and LAN | 11.65 |
| Contingency at 7% | 3.18 |

| Particulars | Proposed cost (in ₹ million) |
|---|---|
| **Total** | **48.66** |

*Dry warehouse at Lonad village, Bhiwandi Taluka*

| Particulars | Proposed cost (in ₹ million) |
|---|---|
| Storage | 5.35 |
| Material handling equipments | 7.52 |
| Office setup | 3.80 |
| Electrical, CCTV, access control and LAN | 4.93 |
| Contingency at 7% | 1.51 |
| **Total** | **23.11** |

***(ii) Dry warehouses to be set up in Fiscal 2020***

In Fiscal 2020, we propose to utilise ₹ 129.44 million for the purposes of setting up dry warehouses with an aggregate area of 600,000 sq. ft. at various locations including Mumbai, Delhi NCR, Hyderabad, Chennai, Bengaluru, Kolkata, Pune, etc. Since the aforesaid dry warehouses are proposed to be set up in Fiscal 2020, no lease arrangement with respect to land have been entered into by our Company at this stage. However, we believe that we will be in position to procure warehouses of appropriate size at the aforesaid locations and rental and other land related costs for such warehouses will be funded from our internal accruals.

We have obtained a quotation from Nutris Project Engineers & Consultants dated May 28, 2018 (the "**Nutris Quotation**") for the total estimated cost of setting up dry warehouses with an aggregate area of 600,000 sq. ft. with the base capital expenditure requirements proposed to be set up in Fiscal 2020. As per the Nutris Quotation, the cost of setting up various dry warehouses with an aggregate area of 600,000 sq. ft. with the base capital expenditure requirements is estimated to be ₹ 129.44 million and accordingly, we propose to utilise ₹ 129.44 million for the purposes of setting up various dry warehouses with an aggregate area of 600,000 sq. ft. in Fiscal 2020. The detailed break-up of these estimated costs is set forth below:

| Particulars | Proposed cost (in ₹ million) |
|---|---|
| Storage | 32.07 |
| Material handling equipments | 37.93 |
| Office setup | 21.83 |
| Electrical, CCTV, access control and LAN | 29.14 |
| Contingency at 7% | 8.47 |
| **Total** | **129.44** |

*Details of Plant and Machinery in the Cost Estimations for Dry Warehouses*

With respect to items included in the break-up for cost estimations for dry warehouses as set out above, (i) "storage" includes racks, shelves and pallets; (ii) "material handling equipments" includes HPTs, BOPTs, reach trucks, dock leveller and forklifts; (iii) "office setup" includes personal computer, UPS, air conditioner, chairs, tables, pedestal fans, mezzanine floor, emergency lights and water dispenser; (iv) "electrical, CCTV, access control and LAN" include electrical, wiring and lighting, CCTV, Wi-Fi, barcode scanners, barcode printers, diesel generators and fire extinguishers.

***B. Setting up of cold storages and a F&V handling centre***

We propose to set up three cold storages and a F&V handling centre between Fiscal 2019 and Fiscal 2020 from utilisation ₹ 654.00 million of the Net Proceeds. The break-up of the utilisation of Net Proceeds during Fiscals 2019 and 2020 in setting up of three cold storages and a F&V handling centre is set out below:

| Fiscal | Estimated cost (in ₹ million) |
|---|---|
| 2019 | 218.33 |
| 2020 | 436.13 |
| **Total** | **654.46** |

*Cold storage at Pune during Fiscals 2019 and 2020*

We propose to set up a cold storage at Pune in Khed city primarily for preservation of food. The capacity of cold storage at Pune is expected to comprise of cold storage for frozen negative application of 4,000 pallets (4,000 MT) and cold storage for chiller frozen application of 500 pallets (500 MT).

For the purposes of setting up of the cold storage at Pune, our Company has executed a memorandum of understanding dated May 8, 2018 (the "**MoU**") with Khed Economic Infrastructure Private Limited for sub-lease of land admeasuring 9,318.67 sq. mts. to our Company for setting up a facility at Khed, Pune for a period of 86 years for a consideration *inter alia* of (i) upfront premium of ₹ 33.08 million; (ii) ₹ 1 per sq. mt. as rental with escalation of 5% every year along with maintenance charge of ₹ 24.91 per sq. mt. for the year ending March 31, 2019 and for subsequent years, it should be calculated as 20% over and above previous year's actual cost at the beginning of the financial year. Further, under the MoU, our Company is required to commence the construction of the facility within one year and needs to complete the construction within three years and commence operations within four years. Our Company is required to obtain all approvals required for the aforesaid construction. The MoU is valid for a period of three months from the date of the MoU.

*Civil Work*

We have obtained a quotation from Excel Design Consultants dated May 28, 2018 (the "**Pune Excel Quotation**") for the purposes of estimation of cost involved in civil work for setting up of the cold storage at Pune. On the basis of the cost estimation provided under the Pune Excel Quotation, we expect to utilise ₹ 62.94 million from the Net Proceeds during Fiscals 2019 and 2020 to set up the cold storage at Pune. The detailed break-up of the estimated cost is set forth below:

| Particulars | Proposed cost (in ₹ million) |
|---|---:|
| Land development and boundary | 4.00 |
| Civil work- plinth including foundation | 17.50 |
| Pre-engineering building | 13.40 |
| WBM/RCC roads in plot around Cold Storage | 8.50 |
| Civil work - office | 1.20 |
| Civil work - UG tank and pump room | 2.50 |
| Civil work - drainage | 2.00 |
| Civil work - foundation for refrigeration compressor, transformation and kiosk | 1.00 |
| Civil work - flooring | 4.10 |
| Civil work - foundation for DG set | 0.50 |
| Main gates | 0.50 |
| Civil work - security cabin | 1.00 |
| Contingency at 12% | 6.74 |
| **Total** | **62.94** |

*Plant and Machinery*

We have obtained a quotation from Nutris Project Engineers & Consultants dated May 28, 2018 (the "**Pune Nutris Quotation**") for the purposes of estimation for purchase of base plant and machinery for setting up of the cold storage at Pune. On the basis of the cost estimation provided under the Pune Nutris Quotation, we expect to utilise ₹ 123.37 million from the Net Proceeds during Fiscal 2020 to set up the cold storage at Pune. The detailed break-up of the estimated cost is set forth below:

| Particulars | Proposed cost (in ₹ million) |
|---|---:|
| Refrigeration | 32.45 |
| PUF panel | 32.66 |
| Electrical | 9.91 |
| Fire fighting | 6.81 |
| Racks | 13.65 |
| MHE | 5.39 |
| Docks and doors | 7.95 |
| Softener plant | 0.61 |
| LED light | 0.80 |
| WMS | 0.81 |
| CCTV, access control and LAN | 1.12 |
| Contingency at 10% | 11.22 |
| **Total** | **123.37** |

*One cold storage and one F&V handling centre at Chhattisgarh during Fiscals 2019 and 2020*

We propose to set up an integrated F&V handling centre along with a cold storage with expected capacity of frozen negative application of 1,728 pallets (1,728 MT) and cold storage for chiller positive application of 3,750 pallets (3,750 MT) at CSIDC Mega Food Park, Bagoud, district of Dhamtari, Chhattisgarh ("**Unit 1**"). In this regard, our Company has executed a lease deed dated May 29, 2018 with Chhattisgarh State Industrial Development Corporation Limited for allotment of land admeasuring 20,112 sq. mts. (2.011 Hectares) at Plot No. 1, Sector-1 Industrial Area Food Park Bagoud, District Dhamtari. The lease is for the period of 99 years at the annual rental of ₹ 0.66 million.

*Civil Work*

We have obtained a quotation from Excel Design Consultants dated May 28, 2018 (the "**Unit 1 Excel Quotation**") for the purposes of estimation of cost involved in civil work for setting up of the cold storage at Unit 1. On the basis of the cost estimation provided under the Unit 1 Excel Quotation, we expect to utilise ₹ 118.83 million from the Net Proceeds during Fiscal 2019 to set up the cold storage at Pune. The detailed break-up of the estimated cost is set forth below:

| Particulars | Proposed cost(in ₹ million) |
|---|---|
| Land development and boundary | 12.50 |
| Civil work- plinth including foundation | 16.50 |
| Pre-engineering building | 38.50 |
| WBM/RCC roads in plot around cold storage | 13.50 |
| Civil work - office | 2.50 |
| Civil work - UG tank and pump room | 3.50 |
| Civil work - drainage | 3.50 |
| Civil work - foundation for refrigeration compressor, transformation and kiosk | 1.00 |
| Civil work - flooring | 9.10 |
| Civil work - foundation for DG set | 0.50 |
| Main gates | 0.50 |
| Civil work - security cabin | 1.50 |
| Good lifts | 3.00 |
| Contingency at 12% | 12.73 |
| **Total** | **118.83** |

*Plant and Machinery*

We have obtained a quotation from Nutris Project Engineers & Consultants dated May 28, 2018 (the "**Unit 1 Nutris Quotation**") for the purposes of estimation for purchase of base plant and machinery for setting up of the cold storage at Unit 1. On the basis of the cost estimation provided under the Unit 1 Nutris Quotation, we expect to utilise ₹ 197.26 million from the Net Proceeds during Fiscals 2019 and 2020 to set up the cold storage at Unit 1. The detailed break-up of the estimated cost is set forth below:

| Particulars | Proposed cost (in ₹ million) |
|---|---|
| Refrigeration | 47.80 |
| PUF Panel | 35.60 |
| Electrical | 16.00 |
| Fire fighting | 12.80 |
| Racks | 7.80 |
| MHE | 7.00 |
| Dock and doors | 20.20 |
| Softener plant | 0.70 |
| Washing, grading and packing line up to 250 MT/day | 12.50 |
| LED light | 1.40 |
| WMS | 2.00 |
| CCTV, access control and LAN | 1.70 |
| ETP | 3.00 |
| Wooden pallets | 2.40 |
| Refeer truck | 8.00 |
| Ethylene automatic system | 0.43 |
| Contingency at 10% | 17.93 |
| **Total** | **197.26** |

*One cold storage during Fiscal 2020*

During Fiscal 2020, we propose to utilise ₹ 151.60 million for the purposes of setting up a cold storage in any one of the locations among Bengaluru, Hyderabad, Chandigarh and Ahmedabad. Since the aforesaid cold storage is proposed to be set up in Fiscal 2020, no arrangement with respect to purchase or lease of land for the cold storage has been entered into by our Company at this stage. However, we believe that we will be in position to procure space for cold storage of appropriate size at the aforesaid locations and the land related costs for such cold storage will be funded from our internal accruals.

We have obtained a quotation from Excel Design Consultants dated May 28, 2018 (the "**Excel Quotation**") for the purposes of the estimated cost of base civil work for setting up of a cold storage with an aggregate area of 18,000 sq. ft. On the basis of the cost estimation provided under the Excel Quotation, the cost of base civil work for setting up a cold storage with an aggregate area of 18,000 sq. ft. is estimated to be ₹ 58.35 million. The detailed break-up of these estimated costs is set forth below:

*Civil Work*

| Particulars | Proposed cost (in ₹ million) |
|---|---|
| Land development and boundary | 4.00 |
| Civil work- plinth including Foundation | 16.50 |
| Pre-Engineering Building | 14.00 |
| WBM/RCC roads in plot around Cold Storage | 5.50 |
| Civil Work - Office | 1.00 |
| Civil Work - UG Tank & Pump room | 2.00 |
| Civil Work - Drainage | 2.00 |
| Civil Work - Foundation for Refrigeration Compressor, Transformation & Kiosk | 1.00 |
| Civil Work - Flooring | 4.10 |
| Civil Work - Foundation for D G Set | 0.50 |
| Main Gates | 0.50 |
| Civil Work - Security cabin | 1.00 |
| Contingency at 12% | 6.25 |
| **Total** | **58.35** |

We have obtained a quotation from Nutris Project Engineers & Consultants dated May 28, 2018 (the "**Nutris Quotation**") for the estimated cost for the base plant and machinery for setting up of a cold storage with an aggregate area of 18,000 sq. ft. As per the Nutris Quotation, the cost of base plant and machinery for setting up a cold storage with an aggregate area of 18,000 sq. ft. is estimated to be ₹ 93.21 million. The detailed break-up of these estimated costs is set forth below:

*Plant and Machinery*

| Particulars | Proposed cost (in ₹ million) |
|---|---|
| Refrigeration | 23.90 |
| PUF Panel | 22.40 |
| Electrical | 8.20 |
| Fire Fighting | 6.81 |
| Racks | 8.60 |
| MHE | 5.39 |
| Dock and Doors | 6.10 |
| Softener Plant | 0.61 |
| LED Light | 0.80 |
| WMS | 0.81 |
| CCTV, access control and LAN | 1.12 |
| Contingency at 10% | 8.47 |
| **Total** | **93.21** |

*Details of Plant and Machinery in the Cost Estimations for Cold Storages*

With respect to items included in the break-up for cost estimations for cold storages as set out above, (i) "refrigeration" includes single stage screw compressor having twin helical screws compressor package; (ii) "electrical" includes supply, erection, testing and commissioning of transformer and switch gear, supply, erection, testing and commissioning of DG Set and supply and installation of outdoor type metering kiosk cubicle; (iii) "fire-fighting" includes electrical pump, jockey pump, dual valve system and piping, panels and others; (iv) "MHE" includes reach truck, 2T battery operated pallet truck and 2T hand pallet truck' (v) "docks and doors" comprise of docking system, sliding doors and rapid doors; (vi) "LED lights" include LED highbay fixture, power supply in water proof control gear box and suitable heat sink.

## 2. Repayment/prepayment of certain borrowings of our Company

Our Company has entered into financing arrangements with various banks and financial institutions. For details of our outstanding borrowings, see "*Financial Statements*" and "*Financial Indebtedness*" beginning on pages 201 and 322, respectively.

Our Company proposes to utilise an amount of ₹ 700.00 million from the Net Proceeds towards repayment or prepayment, in part or full, of certain borrowings listed in the table below. Our Company may repay or refinance some loans set out in the table below, prior to Allotment. In such a situation, our Company may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any existing loans of our Company.

Our Company may choose to repay or pre-pay borrowings availed by our Company, other than those identified in the table below, which may include additional borrowings that our Company may avail after the filing of this Draft Red Herring Prospectus. The selection of borrowings proposed to be repaid/pre-paid by our Company shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, and (v) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. The amounts outstanding under the borrowings identified for repayment/prepayment (in full or in part) may vary on account of interim repayments and drawdowns.

Our Company believes that such repayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion in new projects. In addition, our Company believes that the strength of our balance sheet and the leverage capacity of our Company will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain borrowings availed by our Company which are outstanding as on June 12, 2018, out of which our Company may repay, in full or in part, any or all of the borrowings from the Net Proceeds, without any obligation to any financial institution:

| Name of the lender | Nature of Borrowing | Principal amount outstanding as on June 12, 2018 (in ₹ million) | Interest Rate (% per annum) | Purpose of availing loan | Repayment Schedule | Prepayment Penalty/ Conditions |
|---|---|---|---|---|---|---|
| RBL Bank Limited ("**RBL**") | Term loan | 490.00 | 9.90% p.a (linked to six month MCLR with annual reset clause) to be split between coupon and processing fees as may be mutually agreed | To meet funding requirements for purchase of office space at Nerul, Navi Mumbai* | Tenor of 60 months with repayment in equal repayment to be done on quarterly basis at the end of quarter | Applicable pre-payment charges as levied by RBL |
| HDFC Bank Limited | Working capital | 248.71 | Cash credit (One year MCLR + 1.35% spread, current applicable rate is 9.75% p.a.); and Working capital demand loan (sub limit of cash credit) – 9.45% P.A. (linked to three month MCLR) | Working capital* | The amount is payable on demand | As per mutual agreement |

* *Pursuant to a certificate dated June 15, 2018, PKF Sridhar and Santhanam LLP, Chartered Accountants, have certified that the amounts drawn-down under the aforementioned borrowings have been utilized towards the purposes for which such borrowings have been sanctioned.*

## 3. Acquisition of containers for coastal and liner services

As of March 31, 2018, we have a fleet of 42,068 TEUs which includes various types of 20Ft and 40Ft containers including dry, high cube dry, open-top, flat rack, foldable, ISO tank and refrigerated containers, on ownership and lease basis. Our domestic and international logistics division handled 121,350 and 139,427 TEUs respectively during Fiscal 2018, 90,713 and 103,365 TEUs respectively during Fiscal 2017 and 63,318 and 98,425 TEUs during Fiscal 2016. Our fleet of containers include both owned containers and containers on lease basis. We continuously monitor our markets in an effort to take advantage of various expansion and growth opportunities. We consider acquiring a container when we believe there is a demand for vessels in a particular segment in the industry. However, we are dependent on the secondary market for acquisition of our containers.

Accordingly, as on the date of filing of this Draft Red Herring Prospectus, we are not in a position to identify a specific container proposed to be acquired in the secondary market. In line with our past practice for identification of a container, an acquisition feasibility analysis will be performed by our in-house technical and financing departments based on a number of parameters such as the age of the target container, number of available years to run the container after acquisition, charter rates, most recent operating costs for a container and expected final price post negotiation.

In addition, the availability and pricing of containers in the secondary market is highly dependent on various factors such as prevailing prices of raw material such as steel, limited capacity for building new containers and the high commodity prices which may also be fuelled by high freight rates. Further, our Company may also determine at an appropriate stage whether to purchase dry containers or reefer containers.

We intend to utilise ₹ 317.00 million from the Net Proceeds in Fiscal 2019 and ₹ 256.60 million from the Net Proceeds in Fiscal 2020 for purchase of certain dry containers and reefer containers depending upon the business needs and requirements of our Company. For the purposes of purchase of the aforesaid containers, we have obtained a quotation from Singamas Management Services Limited ("**Singamas**") dated June 12, 2018 (the "**Container Quotation**") which is valid till June 18, 2018. As per the Container Quotation, each unit of 20' general purpose ("**GP**") dry container would cost approximately 2,290 USD (on the basis of order of 450 20' GP dry containers). Further, as per the Container Quotation, each unit of 40' high cube reefer container would cost approximately USD 8,020 and the related machinery for the reefer container would cost approximately USD 7,750 per unit of high cube MGSS reefer container and the aggregate cost would be USD 15,770 per unit of high cube reefer container (on the basis of order of 225 40' 40' high cube reefer containers).

The funding requirements and deployment of proceeds for acquisition of aforesaid containers are based on internal management estimates which are based on a quotation from Singamas. Further, the funding requirements are based on current market conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy.

While containers satisfying our requirements are usually available in the secondary market, there can be no assurance that such containers will be available in the intended period of deployment of the Net Proceeds. We have not entered into any definitive agreement with Singamas or any other person for the acquisition of containers. There can be no assurance that Singamas would be engaged to eventually for the acquisition of containers or our cost will not increase due to a possible cost escalation owing to currency fluctuations or other market risks. If we engage someone other than Singamas, such estimates and actual costs for the acquisition of containers may differ from the current estimates.

**4. Expenditure towards software development, implementation and maintenance**

We believe that our information technology systems play a significant role in enabling us to offer cost-efficient and customized solutions to our customers. It not only enhances our operational efficiency and customer service quality, but also reduces our operating costs, enabling us to handle emergency situations, making it more competitive in the global logistics markets. We believe that strengthening our technological capabilities will play a key role in managing our operations and also help in enhancing our customer service levels. We have made consistent investments in technology over the past several years. As a part of our strategy, we intend to continue to develop our technology systems to increase asset productivity, lower costs of operations, improve operating efficiencies, provide scalability and visibility for our customer and strengthen our competitive position. We also aim to improve further our operating efficiencies by increasing our integration with our customers' internal systems and processes and by investing in software development, implementation and maintenance.

Transworld group of Companies (which includes our Company) have executed a master services agreement dated May 10, 2018 (the "**MSA**") with KPIT Technologies Limited ("**KPIT**") for availing certain software development, implementation and maintenance services from KPIT for a period of three years from the date of the agreement. In terms of the Statement of Work dated May 15, 2018 ("**SOW**") issued by KPIT, the estimated date of start of the project is June 25, 2018 and estimated end date of June 21, 2019. The services to be provided under the SOW to our Company and Subsidiaries include software services relating to *inter alia* accounting, procurement, transportation and quote management and warehousing, container owning and operations and freight forwarding. For the aforesaid services, our Company is required to pay an aggregate of ₹ 20.75 million and our Subsidiary, Avana Global FZCO, is required to pay USD 291,705 (₹ 18.81 million) and such payment is expected to be made in Fiscal 2019 based on payment milestones set out in the SOW. Accordingly, our Company proposes to utilise an aggregate amount of ₹ 39.56 million from the Net Proceeds towards services availed under the MSA in Fiscal 2019 including ₹ 18.81 million payable by our Subsidiary, Avana Global FZCO. For the purposes of payment of ₹ 18.81 million, our Company will invest ₹ 18.81 million in our Subsidiary, Avana Global FZCO and the mode of investment, whether by way of debt or equity, has not been determined at this stage. In the event that the investment by our Company is in the form of equity, no payment of dividend will be assured by our Subsidiary, Avana Global FZCO.

Transworld group of Companies (which includes our Company) have executed Oracle Cloud Services Agreement ("**OCSA**") with Oracle India Private Limited ("**Oracle**") for availing various Oracle services for a period of five years from the date of the OCSA. Pursuant to the OCSA, a purchase order ("**PO**") has been issued by Sonata Information Technology Limited, an affiliate of Sonata (one of the partners of Oracle) for providing Oracle services such as transportation management services, purchasing and sourcing cloud services, inventory and warehouse and management services to Oracle. Our Company proposes to utilise an aggregate amount of ₹ 60.39 million from the Net Proceeds with ₹ 20.13 million payable in each of Fiscals 2019, 2020 and 2021.

The summary of the payment proposed to be made from the Net Proceeds towards the services availed under the MSA and the OCSA are set out below:

| Particulars | Utilisation from Net Proceeds in Fiscal 2019 (in ₹ million) | Utilisation from Net Proceeds in Fiscal 2020 (in ₹ million) | Utilisation from Net Proceeds in Fiscal 2021 (in ₹ million) | Total (in ₹ million) |
|---|---|---|---|---|
| Software development, implementation and maintenance under the MSA | 39.56 | - | - | 39.56 |
| Oracle services under the OCSA | 20.13 | 20.13 | 20.13 | 60.39 |
| **Total** | **59.69** | **20.13** | **20.13** | **99.95** |

**5. General corporate purposes**

The Net Proceeds will first be utilized for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes and the business requirements of our Company and the Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; and (v) any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by the Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

***Issue related expenses***

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the Book Running Lead Managers, fees payable to legal counsels, fees payable to the Registrar to the Issue, Escrow Collection Bank to the Issue, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Except for listing fees which shall be solely borne by our Company, all Issue expenses will be shared, upon successful completion of the Issue, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholder in the Offer for Sale. However, in the event that the Issue is withdrawn by our Company or not completed for any reason whatsoever, all the Issue related expenses will be solely borne by our Company. The break up for the estimated Issue expenses is as follows:

| Activity | Estimates expenses(1) (in ₹ million) | As a % of total estimated Issue expenses(1) | As a % of the total Issue size(1) |
|---|---|---|---|
| BRLMs fees and commissions (including underwriting commission, brokerage and selling commission) | [●] | [●] | [●] |

| Activity | Estimates expenses(1) (in ₹ million) | As a % of total estimated Issue expenses(1) | As a % of the total Issue size(1) |
|---|---|---|---|
| Commission/processing fee for SCSBs and Bankers to the Issue(2) | [●] | [●] | [●] |
| Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(3)(4) | [●] | [●] | [●] |
| Registrar to the Issue | [●] | [●] | [●] |
| Other advisors to the Issue | [●] | [●] | [●] |
| Others | [●] | [●] | [●] |
| - listing fees, SEBI filing fees, bookbuilding software fees | [●] | [●] | [●] |
| - printing and stationery | [●] | [●] | [●] |
| - fee payable to legal counsels | [●] | [●] | [●] |
| - advertising and marketing | [●] | [●] | [●] |
| - miscellaneous | [●] | [●] | [●] |
| **Total estimated Issue expenses** | [●] | [●] | [●] |

(1) *Amounts will be finalised on determination of Issue Price.*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Investors** | *[●]% of the Amount Allotted (plus applicable taxes)* |
| *Portion for Non-Institutional Investors** | *[●]% of the Amount Allotted (plus applicable taxes)* |

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

*Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of* BSE or NSE

(3) *No processing fees shall be payable by our Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.*

*Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Bidders** | *₹ [●] per valid application (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders** | *₹ [●] per valid application (plus applicable taxes)* |

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

(4) *Selling commission on the portion for Retail Individual Bidders, Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Bidders* | *[●]% of the Amount Allotted* (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders* | *[●]%of the Amount Allotted* (plus applicable taxes)* |

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

*The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

*Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus GST, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

*The selling commission and Bidding Charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.*

***Interim use of Net Proceeds***

Our Company, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by the Board . In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company.

***Bridge Loan***

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

***Monitoring of Utilization of Funds***

In terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company has appointed [●] as the monitoring agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI

Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to the Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

***Variation in Objects of the Issue***

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall specify the prescribed details as required under the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, the vernacular language of the jurisdiction where the Registered Office is situated. Pursuant to the Companies Act, 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Chapter VI A of the SEBI ICDR Regulations.

***Appraising Agency***

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any agency.

***Other Confirmations***

No part of the Net Proceeds will be utilized by our Company as consideration to the Promoters, members of the Promoter Group, the Directors, the Group Companies or key managerial employees. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with the Promoters, the Directors, the Key Management Personnel or the Group Companies in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers on the basis of assessment of market demand for the Equity Shares offered in the Issue through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 5 each and 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. Investors to see "*Our Business*", "*Risk Factors*" and "*Financial Statements*" beginning on pages 142, 15 and 201, respectively, to have an informed view before making an investment decision.

**Qualitative Factors**

Some of the qualitative factors which form the basis for computing the Issue Price are:

1. Leading integrated logistics solutions provider in India and GCC region;
2. Wide geographical presence with extensive coverage;
3. Strong customer focus and growing customer base;
4. Experienced management and operational team and with strong domain expertise; and
5. Asset-light business model.

For further details, see "*Our Business – Our Strengths*" beginning on page 143.

**Quantitative Factors**

Certain information presented below relating to our Company is based on the Restated Financial Statements prepared in accordance with Ind AS, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations. For details, see "*Financial Statements*" beginning on page 201.

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

**1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:**

As per Restated Consolidated Financial Statements:

| Fiscal Year ended | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|---|---|---|---|
| March 31, 2018 | 13.71 | 13.71 | 3 |
| March 31, 2017 | 3.77 | 3.77 | 2 |
| March 31, 2016 | 2.47 | 2.47 | 1 |
| **Weighted Average** | 8.52 | 8.52 | |

*Notes:*

(1) *Basic earnings per share (₹) =* $\frac{\textit{Net profit after tax, as restated, attributable to equity shareholders}}{\textit{Weighted average number of equity shares outstanding*}}$

(2) *Diluted earnings per share (₹) =* $\frac{\textit{Net profit after tax, as restated, attributable to equity shareholders}}{\textit{Weighted average number of diluted equity shares outstanding**}}$

** The Weighted average number of equity shares considered above are shares outstanding during the year (adjusted for bonus and sub-division of the shares approved after March 31, 2018)*

*** The Weighted average number of diluted equity shares considered above are shares outstanding during the year (adjusted for bonus and sub-division of the shares approved after March 31, 2018)*

(3) *The face value of each Equity Share is ₹ 5 after taking into account the split of equity shares.*

(4) *Basic and diluted earnings per Equity Share are computed in accordance with Ind AS 33 'Earnings per Share', notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.*

(5) *The figures disclosed above are based on the Restated Consolidated Financial Statements. The above statement should be read with significant accounting policies and notes on Restated Consolidated Financial Statements as appearing in the Financial Statements.*

(6) *All share data has been adjusted for (i) the sub-division of equity shares from face value of ₹ 10 each to face value of ₹ 5 each; and (ii) allotment of Equity Shares by way of bonus issue in the ratio of one Equity Share for every two Equity Shares held, as approved by our Shareholders on April 30, 2018.*

As per Restated Standalone Financial Statements:

| Fiscal Year ended | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|---|---|---|---|
| March 31, 2018 | 5.22 | 5.22 | 3 |
| March 31, 2017 | 5.22 | 5.22 | 2 |
| March 31, 2016 | (0.40) | (0.40) | 1 |

| Fiscal Year ended | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|---|---|---|---|
| **Weighted Average** | 4.28 | 4.28 | |

*Notes:*

[(1)] *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights*

[(2)] *The figures disclosed above are based on the restated financial information of our Company.*

[(3)] *The face value of each Equity Share is ₹ 5 after taking into account the split of equity shares.*

[(4)] *Basic and diluted earnings per Equity Share are computed in accordance with Ind AS 33 'Earnings per Share', notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.*

[(5)] *The figures disclosed above are based on the Restated Standalone Financial Statements. The above statement should be read with significant accounting policies and notes on Restated Standalone Financial Statements as appearing in the Financial Statements.*

[(6)] *All share data has been adjusted for (i) the sub-division of equity shares from face value of ₹ 10 each to face value of ₹ 5 each; and (ii) allotment of Equity Shares by way of bonus issue in the ratio of one Equity Share for every two Equity Shares held, as approved by our Shareholders on April 30, 2018.*

**2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

| Particulars | P/E at the lower end of Price band (number of times) | P/E at the higher end of Price band (number of times) |
|---|---|---|
| Based on basic EPS for the year ended March 31, 2018 on a consolidated basis | [●] | [●] |
| Based on basic EPS for the year ended March 31, 2018 on a standalone basis | [●] | [●] |
| Based on diluted EPS for the year ended March 31, 2018 on a consolidated basis | [●] | [●] |
| Based on diluted EPS for the year ended March 31, 2018 on a standalone basis | [●] | [●] |

**3. Average Return on Net Worth in the preceding three years ("RoNW")**

As per the Restated Consolidated Financial Statements:

| Fiscal Year ended | RoNW % | Weight |
|---|---|---|
| March 31, 2018 | 32.50 | 3 |
| March 31, 2017 | 13.14 | 2 |
| March 31, 2016 | 5.87 | 1 |
| **Weighted Average** | 21.60 | |

*Notes:*

*(1) Return on net worth (%) = Net profit after tax as restated, attributable to equity shareholders / Net worth at the end of the period / years.*

*(2) Restated Consolidated Net Worth = Paid up share capital + Shares pending issuance + Reserves and surplus (Securities premium account + Capital redemption reserve + Capital reserve on consolidation + Statutory reserve + Retained earnings + Foreign currency translation reserve).*

As per the Restated Standalone Financial Statements:

| Fiscal Year ended | RoNW % | Weight |
|---|---|---|
| March 31, 2018 | 4.68 | 3 |
| March 31, 2017 | 1.48 | 2 |
| March 31, 2016 | (2.23) | 1 |
| **Weighted Average** | 2.46 | |

*Notes:*

*(1) Return on net worth (%) = Net profit after tax as restated, attributable to equity shareholders / Net worth at the end of the period / years.*

*(2) Restated Standalone Net Worth = Paid up share capital + Reserves and surplus (Securities premium account + Capital redemption reserve + Retained earnings).*

**4. Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS as at [●]:**

Based on the Restated Consolidated Financial Statements:

| Particulars | At Floor Price (%) | At Cap Price (%) |
|---|---|---|
| To maintain pre-Issue basic EPS | [●] | [●] |
| To maintain pre-Issue diluted EPS | [●] | [●] |

Based on the Restated Standalone Financial Statements:

| Particulars | At Floor Price (%) | At Cap Price (%) |
|---|---|---|
| To maintain pre-Issue basic EPS | [●] | [●] |
| To maintain pre-Issue diluted EPS | [●] | [●] |

**5. Net Asset Value per Equity Share of face value of ₹ 5 each (as adjusted for changes in capital)**

(i) Net asset value per Equity Share as on March 31, 2018 on a standalone basis is ₹ 111.45.

(ii) Net asset value per Equity Share as on March 31, 2018 on a consolidated basis is ₹ 42.19.

(iii) After the Issue on a standalone basis:

(a) At the Floor Price: ₹ [●]

(b) At the Cap Price: ₹ [●]

(iv) After the Issue on a consolidated basis:

(c) At the Floor Price: ₹ [●]

(d) At the Cap Price: ₹ [●]

(v) Issue Price: ₹ [●]

*Notes:*

(1) *Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*

(2) *Net Asset Value Per Equity Share =* $\dfrac{\textit{Net worth as at the end of the year}}{\textit{Total number of equity shares outstanding at the end of the year adjusted for bonus and sub-division of the shares approved after the year ended March 31, 2018}}$

(3) *Net Worth = Paid-up share capital + Shares pending issuance+ Reserves and surplus (Capital Redemption Reserve + Capital Reserve on consolidation + Statutory Reserve + Securities Premium account + Retained earnings+ Foreign Currency Translation Reserve.*

**6. Comparison of Accounting Ratios with Listed Industry Peers as of March 31, 2018**

There are no comparable listed peers in India. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

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

The Issue Price of ₹ [●] has been determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 15, 142 and 324 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to factors mentioned in "*Risk Factors*" beginning on page 15 and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
**Avana Logistek Limited** (Formerly known as Shreyas Relay Systems Limited)
4th Floor, Himalayas
Geetmala Complex
Near Shah Industrial Estate
Govandi – East, Mumbai – 400 088.

Dear Sirs,

**Sub: Statement of possible special tax benefits available to Shreyas Relay Systems Limited and its shareholders in connection with the proposed initial public offering of equity shares of face value ₹ 5 each (the "Securities") (the "Offering" or "Issue")**

We refer to the proposed Issue of the shares by Avana Logistek Limited (formerly known as **Shreyas Relay Systems Limited) (**the **"Company").** We enclose herewith the Statement of special tax benefits available to the Company and its equity shareholders under the Income-tax Act, 1961 (the "**Statement**") showing the current position of special tax benefits available to the Company and its shareholders as per the provisions of the Income Tax Act, 1961 (the "Act") for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (together the "**Offer Documents**") for the proposed Issue by the Company.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Statement are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this Statement.

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

- the Company or its shareholders will continue to obtain these benefits in similar manner in future;
- the conditions prescribed for availing the benefits have been / would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the Statement in the Offer Documents in connection with the Issue to be filed by the Company with the Stock Exchanges, the Securities and Exchange Board of India, and the Registrar of Companies, and any other authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.

**Limitations**

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Issue relying on the Statement.

This Statement is addressed to you solely for the use of the Company in relation to the Issue and for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Mumbai in connection with the proposed IPO.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Place: **MUMBAI**
Date: June 12, 2018

**ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS EQUITY SHAREHOLDERS UNDER THE INCOME TAX ACT 1961 ("the Act")**

The information provided below sets out the possible direct tax benefits available to the shareholders of an Indian company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Access of all or any part of this Statement by any person is on the basis that, to the fullest extent permitted by law, neither Deloitte Haskins & Sells LLP nor any other Deloitte Entity accepts any duty of care or liability of any kind to such person, and any reliance on this Statement by any person is at his own risk.

Avana Logistek Limited (formerly known as Shreyas Relay Systems Limited) ("the Company") is an Indian Company, subject to tax in India. The Company is taxed on its profits. Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purpose of the business, including depreciation.

The Minister of Finance of the Government of India has presented the Union Budget for the financial year 2018-19 in Lok Sabha on February 1, 2018. The Union Budget has proposed certain amendments to the Income-tax Act, 1961 through the Finance Bill, 2018. The proposed amendments have been passed by the Lok Sabha and the Rajya Sabha and have received the assent of the President of India on March 29, 2018.

The proposed amendments to the Income-tax Act, 1961 as assented to by the President of India have been duly considered while determining the tax benefits enjoyed by the Company.

Considering the activities and the business of the Company, the following benefits may be available to them.

**I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

There are no special benefits available to the Company under the provisions of the IT Act.

**II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS**

There are no special benefits available to the Shareholders under the provisions of the IT Act.

*Notes:*

a. *The above benefits are as per the current tax law as amended by the Finance Act, 2018.*
b. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*
c. *We have not commented on the taxation aspect under any law for the time being in force, as applicable of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.*

## SECTION IV: ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*The information contained in this section is derived from the CRISIL research report titled "Market assessment of India's logistics industry with focus on integrated container logistics" published in May 2018, ("**CRISIL Report**"), and other publicly available sources. Neither we, nor any other person connected with the Industry has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

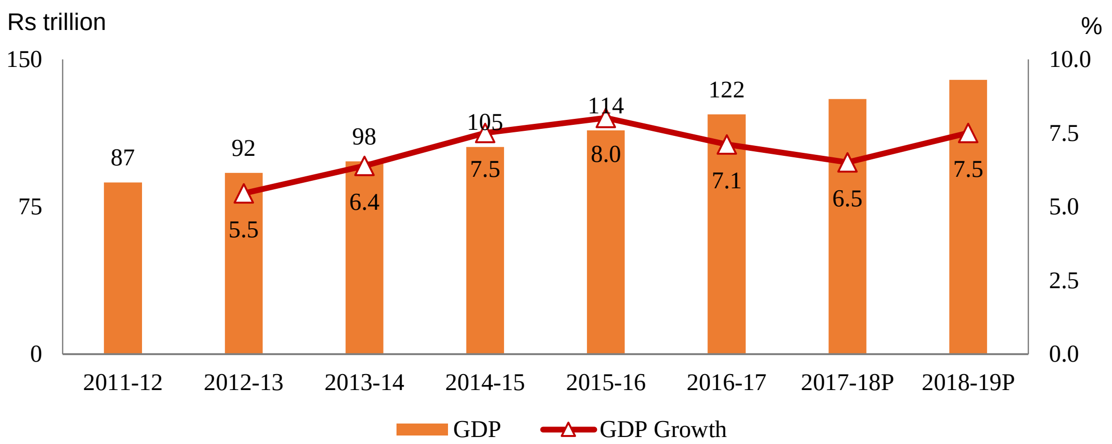
*Some of the information contained in the following section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" beginning on page 14 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" beginning on page 15 for a discussion of certain factors that may affect our business, financial condition or results of operations.*

### The Indian economy

***India's economic growth to pick-up pace in Fiscal 2019***

CRISIL Research believes GDP growth will rebound to 7.5% in Fiscal 2019 from 6.5% in Fiscal 2018, as disruptions from the implementation of GST fade and a low base helps. Growth will continue to be consumption-led with interest rates expected to remain soft and inflation staying under control. State-level implementation of the Seventh Pay Commission hikes will be an additional booster. Growth will also be mildly supported by public spending (with a rural focus) in infrastructure, especially roads.

**GDP growth for India (new GDP series)**

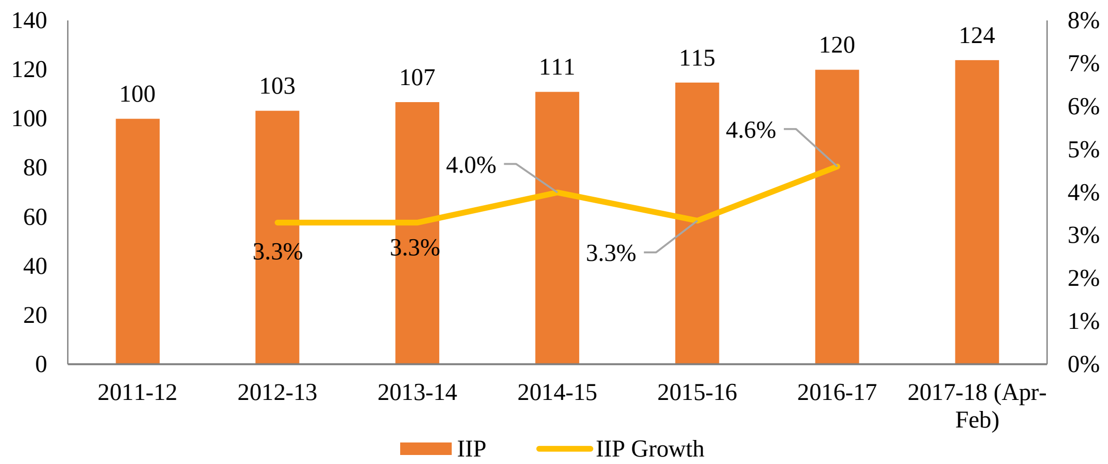



*Source: Central Statistical Organisation (CSO), CRISIL Research*

***The Index of Industrial Production ("IIP") growth improves***

IIP climbed 5% on-year to 121 in Fiscal 2017. This was primarily driven by 5% growth in the manufacturing industry, which is allocated a 77.6% weightage as per the revised IIP index with base year Fiscal 2012. Moreover, 6% expansion in electricity supported the IIP numbers.

**IIP growth up 5% in Fiscal 2017**



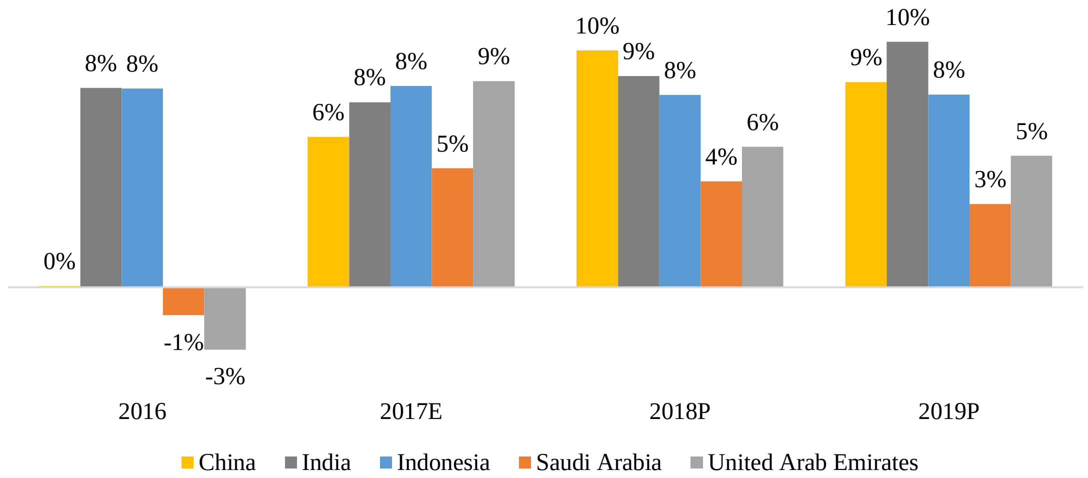

*Source: CSO, CRISIL Research*

***India's GDP growth strengthens amidst an improving global scenario***

Emerging and developing Asia and Europe are expected to post faster growth at 6.5-6.6% and 4.0-3.8%, respectively, for 2018 and 2019.

Among the key economies, India with a real GDP growth of 7.4% and 7.8% for calendar years 2018 and 2019, respectively, and China, with 6.6% and 6.4%, respectively, will likely be the main growth drivers.

**Nominal GDP growth of key developing economies**




*Note: GDP at current prices;*
*Source: IMF*

**The Indian logistics industry**

***Transportation accounts for majority of the logistics spend***

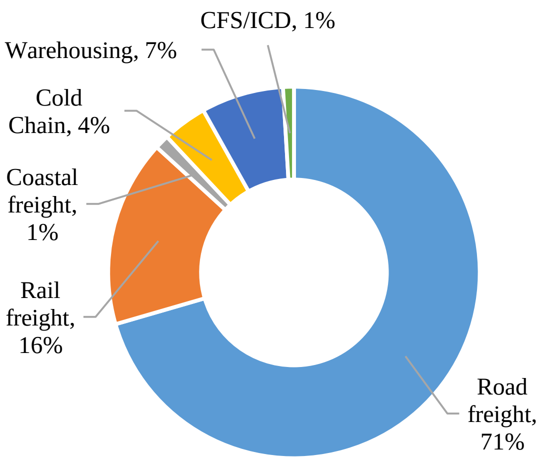
As per the Ministry of Road Transport and Highways, India's logistics cost as a % of GDP stood at 13-14% compared to 10-11% for BRIC countries and 8-9% for developed countries. Going forward, the logistics cost as a % of GDP for India is expected to decline driven by initiatives such as implementation of GST, investments towards road infrastructure, development of inland waterways and coastal shipping, thrust towards dedicated freight corridors etc.

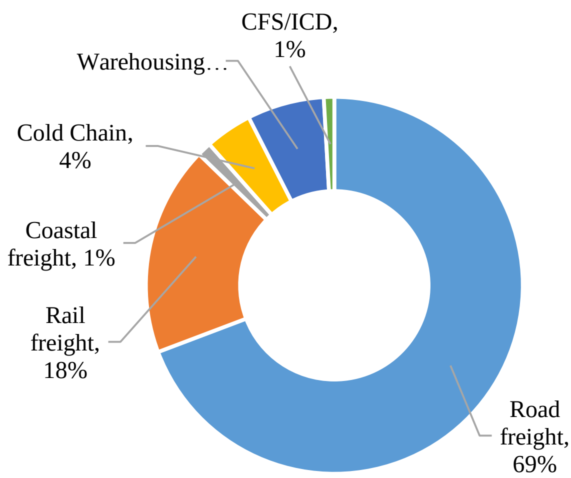
In logistics, the market size of key segments - road freight, rail freight, coastal freight, warehousing, cold chain and container freight stations ("**CFS**") and inland container depots ("**ICD**") is estimated to be about ₹ 6.4 trillion in Fiscal 2017. This is expected to grow at a CAGR of ~13.0% to ₹ 9.2 trillion by Fiscal 2020.

The logistics market is dominated by freight transportation, which accounts for approximately 88%, and its share is expected to remain high till Fiscal 2020.

***Components of the Indian logistics industry***

**2016-17E** **2019-20P**

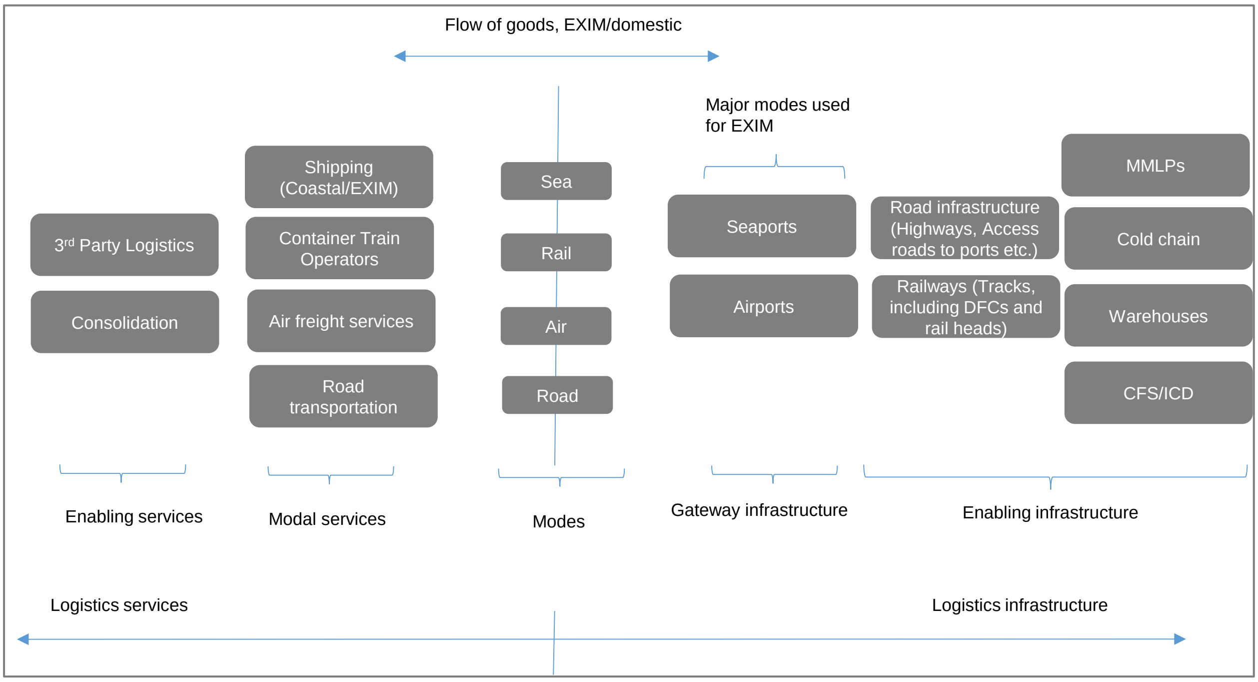



*Note: E: Estimated, P: Projected*
*Value-added services is included in cold chain, warehousing and CFS/ICD*
*Source: Industry, CRISIL Research*

***Logistics comprises service providers as well as infrastructure***

***Schematic representation of the logistics market***




*MMLP: Multimodal Logistics Park*
*Source: Industry, CRISIL Research*

***Key sub-segments of logistics are as follows:***

| Segment | Key characteristics |
|---|---|
| Road transportation | Roads are the most important mode of transport catering to commoditised, piecemeal cargo segments, in addition to full truck load (FTL) cargo. Roads are typically most competitive for short distances (250-300 km). They are also a preferred mode for transport of non-bulk items. |
| Warehousing | Warehousing involves the storage of goods and merchandise to protect the quality and quantity of the stored product. It is an integral part of the logistics value chain, facilitating the collection, storage, sorting, and dissemination of goods. |

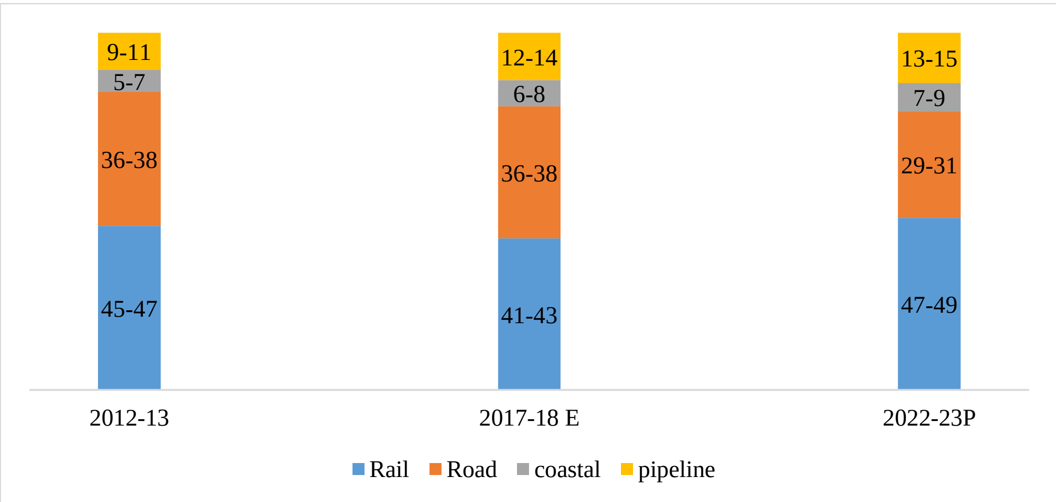
| Segment | Key characteristics |
|---|---|
| Cold chain | Cold chains provide storage and distribution services for products that need to be maintained at a given temperature. The industry comprises two segments - temperature-controlled warehousing and temperature-controlled transportation/vehicles. The key components of the cold chain industry include pack-house, cold storage (bulk), cold storage (hub), refrigerated vehicles, information systems, and delivery tracking systems. |
| Container freight station (CFS)/ Inland container depot (ICD) | *CFS/ICDs*: These are facilities set up mainly for custom clearance to decongest ports, and handle and temporarily store export-import (EXIM) cargo and empty containers. The key value proposition of a CFS/ICD is it provides an integrated platform for activities such as loading/unloading, transporting and stuffing/de-stuffing of containers. The functional aspects of CFS and ICD are the same, with the major difference being that CFSs are located near the gateway port and ICDs are located in the hinterland. |
| Coastal shipping | Coastal shipping is the movement of domestic cargo from one Indian port to another. Currently, coal, petroleum products and iron ore are the key commodities which are transported through the coastal route. Coastal container shipping is also evolving rapidly, with huge potential from containerisation of general cargo. |
| Rail freight | Rail freight is generally preferred for medium to long distance hauls for bulk and container cargo. These services are offered either by the Indian Railways (as in case of coal, iron ore, etc) or by specialized PSUs such as CONCOR in case of containers |

*Note: A 3PL company is an end-to-end supply chain management provider offering services such as warehousing, cold storage, CFS/ICD among others, thus the 3PL market in India is a subset of the cold-chain, warehousing, CFS and transportations segments of the logistics market.*

***Coastal route holds significant potential***

In India, share of ground freight (road and rail) has historically remained the highest. As of end-March 2018, India's railways and roadways accounted for 77-81% of the total freight movement. The share of road in overall movement was 36-38% in Fiscal 2018, while the share of rail was 41-43%. Road is a preferred mode for non-bulk cargo, while rail transports majority of bulk cargo.

**Share of coastal in overall modal mix (%)**




*In terms of BTKM*
*Source: Industry, CRISIL Research*

By Fiscal 2023, share of coastal mode will increase by 50-100 basis points from current levels, largely driven by coastal transportation of bulk as well as non-bulk commodities. Uptick is expected to be driven by coastal movement of thermal coal, iron ore and petroleum oil and lubricants ("**POL**") commodities, which together comprise of more than three-fourth of coastal volumes. Containerised movement of fertilisers, steel, food grains and other non-bulk items would also support the same. In case of pipeline mode, the increase in share will be slower than past, due to slow growth in refineries market.

***Coastal shipping is cheaper and environment friendly mode***

As per a March 2017 PIB release, pre-tax freight rates for road and rail are ₹ 2.50 per tonne km and ₹ 1.36 per tonne km, respectively. Moving raw materials and finished products using coastal shipping and inland waterways is 60-80% cheaper than road or rail transport. As a thumb rule, road is cost-competitive for 250-300 km, railways for 250-800 km, and ocean transportation is cheapest for distances greater than 800 km.

Besides being cheaper, sea-based transportation is the most environment-friendly among surface transportation modes. As per a 2013 National Transport Development Policy Committee ("**NTDPC**") report, carbon dioxide emissions for road were 59 grams per tonne km, followed by rail at 21 grams per tonne km. Shipping contributes the lowest in carbon dioxide emissions at 10 grams[3] per tonne km.

***Water transport has a higher share in evolved economies compared to India***

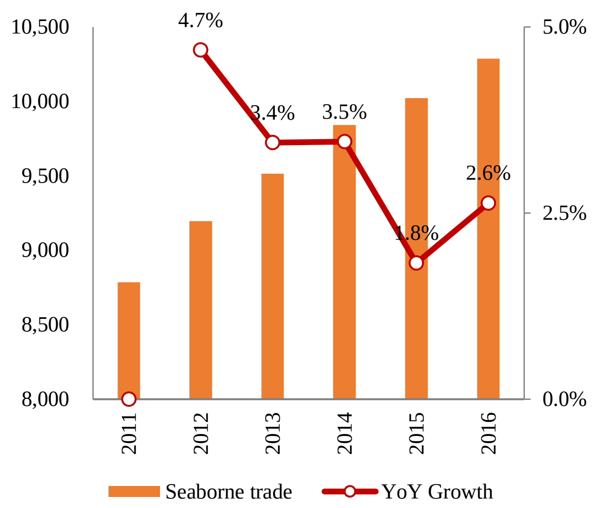
As per a 2013 NTDPC report, water transport had a share of ~12% in the US, 47% in China and 34% in Japan, as compared with ~6% in India. As per Eurostat statistics, between 2010 and 2015, the share of water transport in Intra-European Union trade has remained ~37%, where 32-33% is maritime-based and 4-5% is inland waterways. Share of water transport is lower in India, relative to other developed economies, indicates a significant potential for the same.

**Indian seaborne trade**

***Indian EXIM seaborne trade grew faster compared to global seaborne trade***

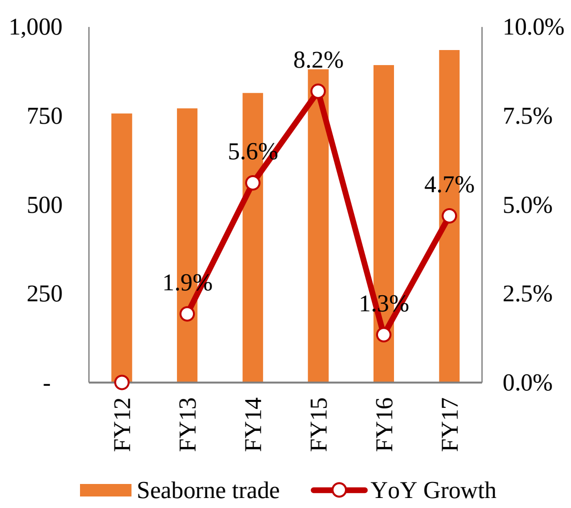
Indian EXIM seaborne trade is ~9% (in volume terms) of global seaborne trade. As per UNCTAD statistics, between calendar year 2011 and 2016, global seaborne trade grew at ~3.2% CAGR, growing from 8.8 billion tonnes to 10.3 billion tonnes. In comparison, Indian overseas seaborne trade, grew at a faster rate. As per IPA, during Fiscal 2012 to 2017, Indian overseas seaborne trade grew at ~4.3% CAGR. Noticeably, Indian EXIM seaborne trade grew at 4.7% on year, in Fiscal 2017, while global seaborne trade grew at 2.6% on year, in calendar year 2016.

**Global seaborne trade (million tonnes)**




*Source: UNCTAD, CRISIL Research*

**Indian EXIM seaborne trade (million tonnes)**




*Source: IPA, CRISIL Research*

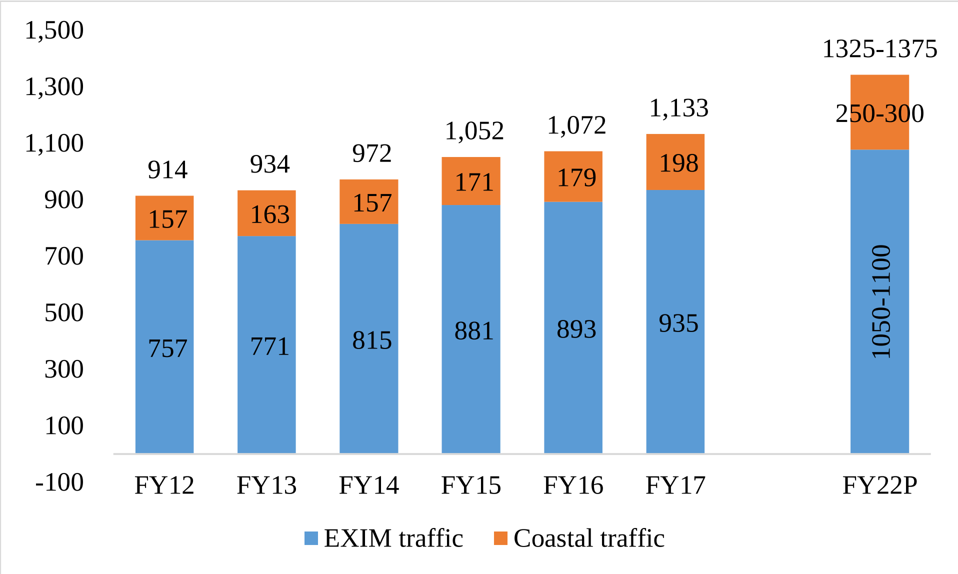
***Growth in coastal traffic will continue to be higher than overall ports traffic***

Indian ports play an important role in India's external trade. As per a PIB release of December 2017, Indian ports handle 90% by volume and 70% by value of India's external trade. Apart from external trade, Indian ports also handle coastal cargo, enabling coastal trade. In the overall traffic handled by Indian ports, share of overseas cargo is significantly higher than coastal cargo.

Major commodities for coastal shipping are petroleum, oils, and lubricants ("**POL**"), which includes crude oil and POL products, thermal coal, and iron ore. Among the major commodities, POL holds the largest share, followed by thermal coal and iron ore. These commodities accounted for ~85% of the coastal traffic of ~200 million tonnes at Indian ports in Fiscal 2017. Other commodities, including cement, containers, and steel products, accounted for the rest.

[3] *Emission are considered as follows, road (truck/trailer), rail (diesel powered train) and ship (10,000 TEU container ship)*

**Overall traffic at Indian ports, million tonnes**



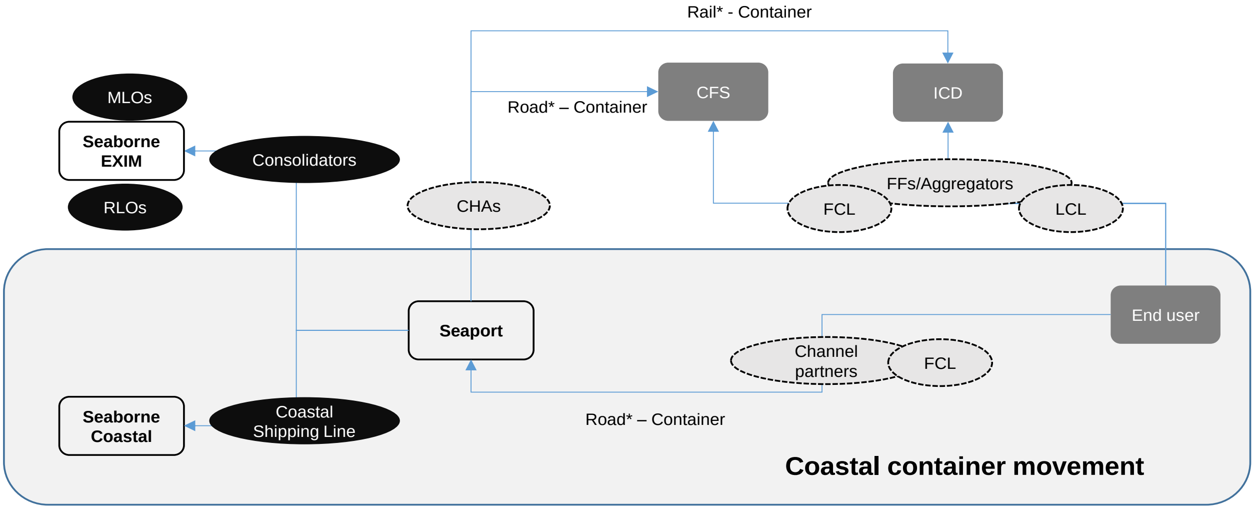

*Source: Industry, CRISIL Research*

CRISIL Research expects overall port traffic (Coastal and EXIM) to grow at a prudent rate of 3-5 % over Fiscal 2017 to 2022, compared with the CAGR of 4.4% seen in the last five years. Coastal traffic expected to grow at a higher rate of 5-7%, by Fiscal 2022, driven by bulk as well as non-bulk movement.

**The container logistics industry**

***Review – Container logistics providers operating on coastal routes***

**Container logistics (EXIM/coastal) – key stakeholders**




**: Preferred mode for container movement*
*MLOs: Mainline operators*
*RLOs: Regional line operators or feeders*
*CHAs: Custom housing agents*
*FCL: Full container load*
*LCL: Less than container load*
*FFs: Freight forwarders*
*Source: Industry, CRISIL Research*

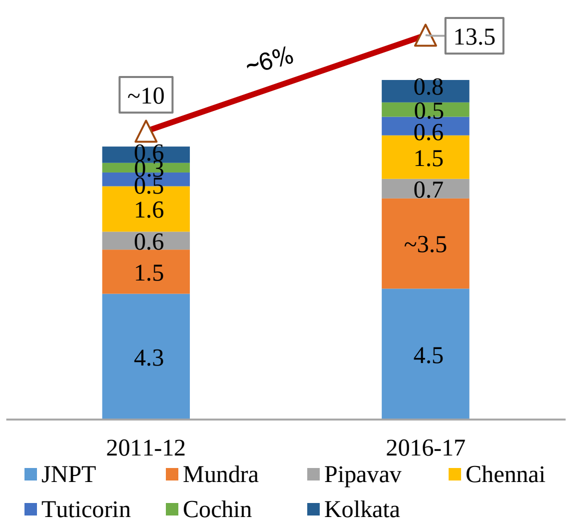
***First and last mile connectivity is critical for coastal container logistics***

First and last mile connectivity is an essential enabler for coastal container movement, enabling streamlined and timely movement across hinterland locations, utilising coastal routes. Typically, players providing coastal container services engage with channel partners for first/last mile connectivity. The first/last mile transportation service is as important as the seaborne container service itself, as continuity of supply chain and efficient delivery are dependent on the channel partners providing these services.

***JNPT and Mundra are ports with the highest EXIM (and overall) container traffic***

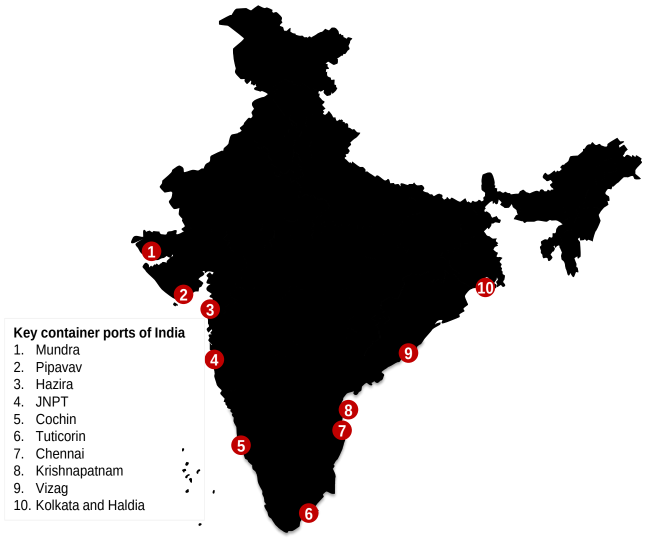
In terms of tonnage, container traffic has a share of ~16% in overall port traffic as of Fiscal 2017. India handled ~13.5 million twenty foot equivalent units (TEUs) of container traffic in Fiscal 2017, as compared with ~10 million TEUs in Fiscal 2012, with a 6% CAGR. Key ports for container traffic in India are Jawaharlal Nehru Port Trust (JNPT), Mundra and Pipavav in the west of the country, and Chennai, VO Chidambarnar (Tuticorin), Cochin, and Kolkata in the south and east.

**Container traffic at key ports in India (million TEUs)**




*Source: Indian Ports Association (IPA), Company reports, CRISIL Research*

**Key container ports of India**



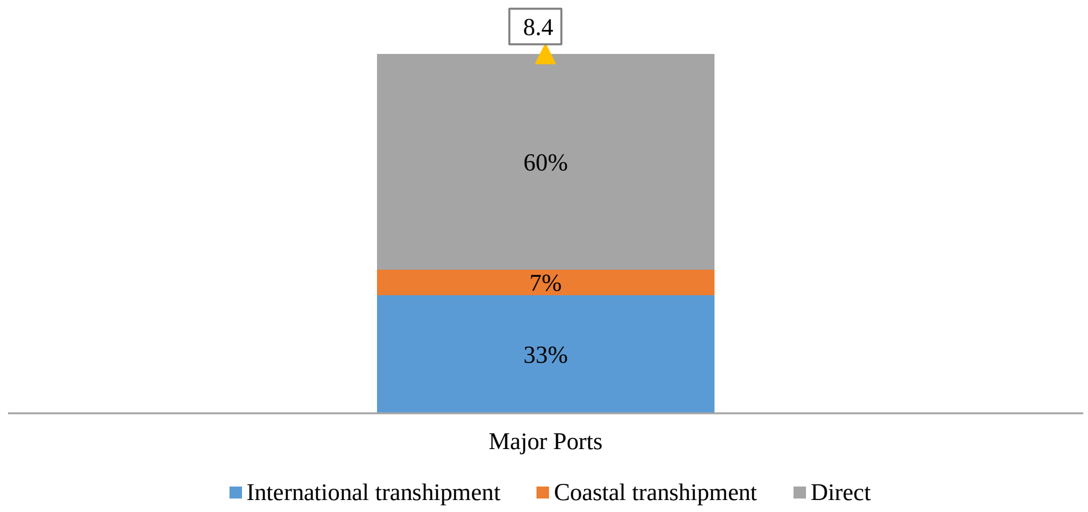

*Source: Indian Ports Association (IPA), Company reports, CRISIL Research*

**Key EXIM container commodities: Chemicals, metals, textiles and agro products**

Key commodities for imports are chemicals, metals, paper products, agro products, textiles, and electrical and electronic goods, which account for about half of overall containerised imports. In the case of exports, key commodities are agro products, textiles, metals, chemicals, automobile components, and tiles and granite, which account for about half of overall containerised exports.

| Key exports | Key imports |
|---|---|
| Agro products | Chemicals (commodity and petrochemicals) |
| Textile products and raw materials | Base metals and metal products |
| Base metals and metal products | Paper products and raw materials |
| Chemicals (commodity and petrochemicals) | Agro products |
| Automobiles and components | Textile products and raw materials |
| Tiles and granite products | Electrical and electronic goods |

**Container trans-shipment at major ports (million TEUs, Fiscal 2017)**

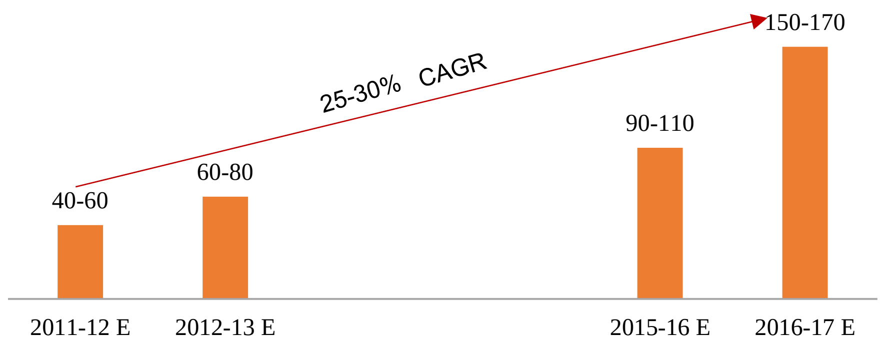



*Source: Indian Ports Association (IPA), CRISIL Research*

***Coastal container traffic has witnessed higher growth vis-à-vis EXIM container traffic***

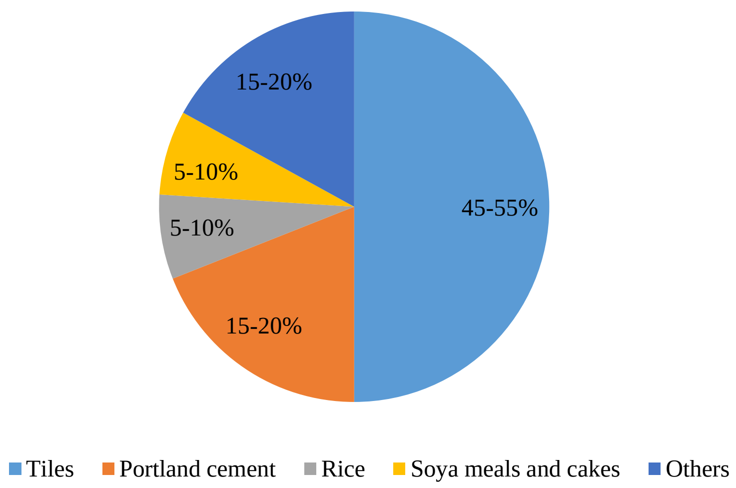
The Indian coastal container market, though still nascent in terms of volumes, has grown rapidly in the past 4-5 years, vis-à-vis EXIM container volumes. While overall container volume clocked ~6% CAGR between Fiscals 2012 and 2017, coastal container traffic registered 25-30% growth during this time. Key drivers for this growth were the containerisation across key non-bulk commodities that were historically transported by sea, and the expanded basket of commodities utilising integrated container logistics.

**Coastal container shipping ('000 TEUs)**




*Source: Industry, CRISIL Research*

**Key commodities for coastal container shipping (Fiscal 2017)**



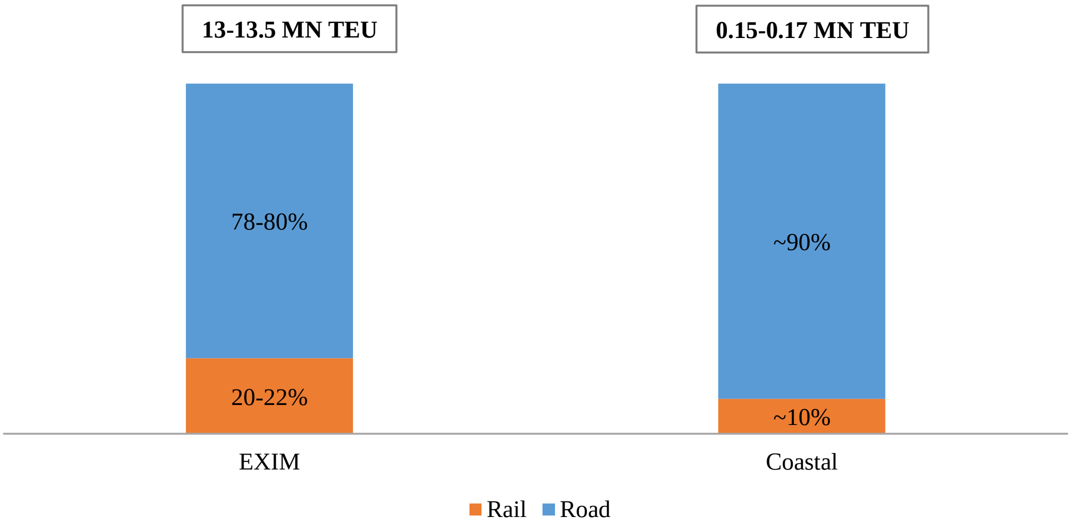
*Source: Industry, DGCIS, CRISIL Research*

***Roads dominate inland movement of EXIM and coastal containers***

Roads dominate the inland container movement of both EXIM and coastal containers. In the case of EXIM containers, roads are preferred to railways which are uncompetitive in comparison, even for longer distances, on account of the high railway haulage costs. This is evident from the low rail coefficient of major ports (that handle 65-70% of overall containers). In Fiscal 2016, for major ports, railway had ~11% share of incoming container traffic (in TEU terms) and ~13% share of outgoing container traffic. The estimated share of rail in total EXIM container traffic in Fiscal 2017 was 20-22% (in TEU terms).

In the case of coastal container movement, the share of roads is ~90% (in Fiscal 2017). Roads have a higher share in coastal containers *vis-à-vis* EXIM containers, as last mile and first mile connectivity movements for coastal container movements are typically 200-300 km, where roads are a cost competitive mode of transport. Railways are generally used for longer distances only.

**Modal mix of EXIM and coastal container movement, Fiscal 2017**

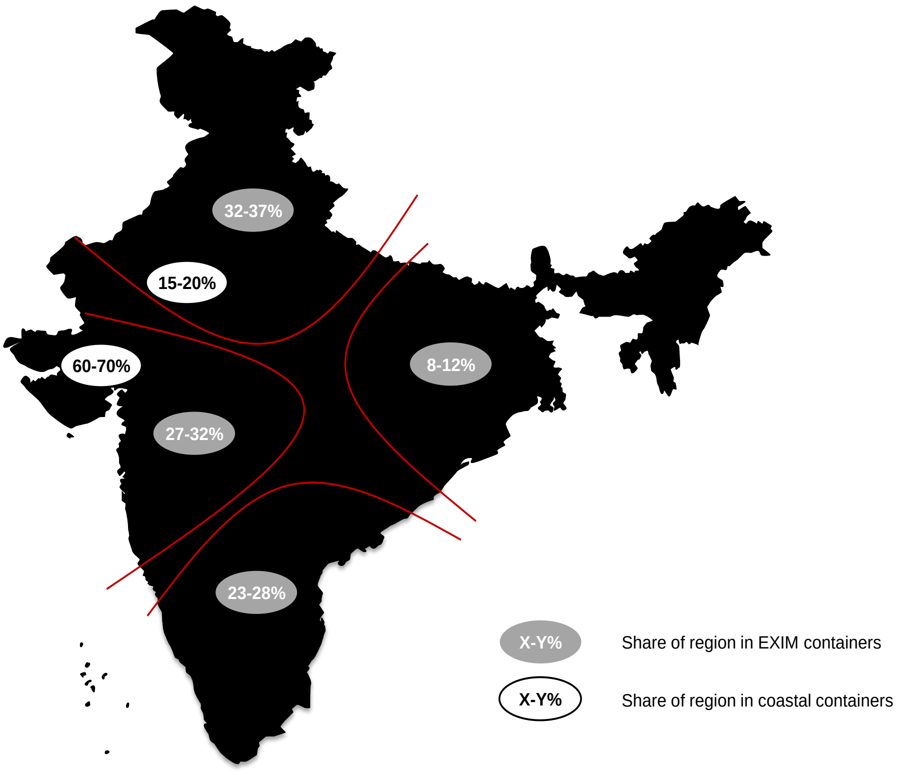



*Source: Indian Railways, Basic Ports Statistics, Industry, CRISIL Research*

***Coastal containers originate largely from Gujarat and Rajasthan***

In the case of domestic containers, key originating clusters are the regions surrounding the Gulf of Kutch in Gujarat, and central Rajasthan. The key cargo from Gujarat is tiles, while that from Rajasthan is Portland cement.

**Hinterlands for EXIM and coastal containers (Fiscal 2017)**

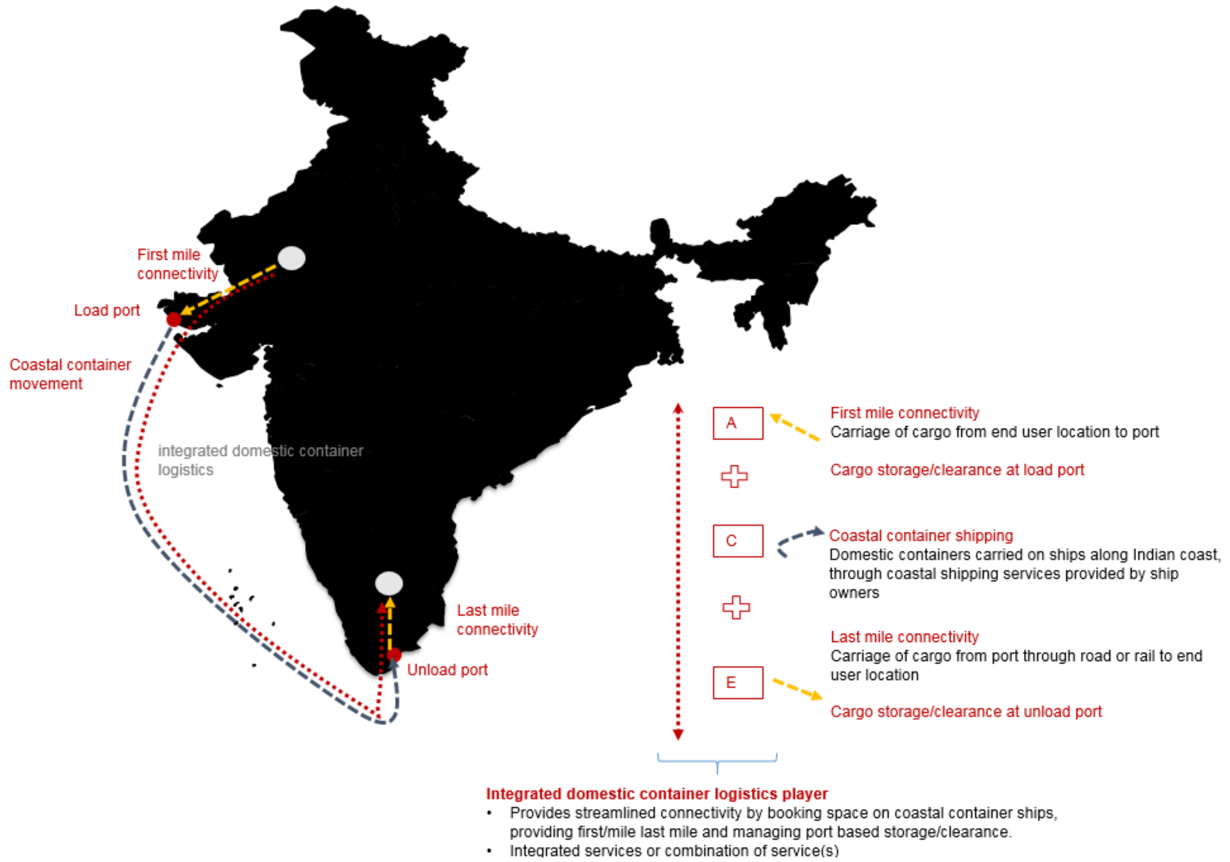



*Source: Industry, Ministry of Shipping, DGCIS, CRISIL Research*

***Seamless integration of inland logistics with coastal container shipping – key for container logistics providers operating on coastal routes***

Typically, key stakeholders in container logistics are first mile/last mile connectivity providers, port terminal operators and container vessel owners. Key characteristics of stakeholders involved in container logistics are provided below.

**Schematic representation – role of integrated container logistics market**




*Source: Industry, CRISIL Research*

**Integrated container logistics players (loaders) – Operations**

| Stakeholder segment | Key players (loaders) | Key operations |
|---|---|---|
| Integrated container logistics providers operating on coastal routes | Integrated players, as:<br>• Avana Logistek Limited<br>• Transport Corporation of India (TCI) Limited. However, TCI operates limited coastal services, across select routes | End-to-end movement of domestic containers, through synchronous arrangement with ship owners running coastal services.<br>They book cargo space on coastal container services of ship owners, and manage port clearance/storage and also arrange for last/first mile transportation of cargo.<br>Gamut of services can include end-to-end movement or combination of service(s) |

**Stakeholders – Coastal container value chain**

| Stakeholder segment | Key players | Key operations |
|---|---|---|
| First mile/Last mile connectivity providers | Domestic container transport operators (MTOs), regional transporters etc. | Arranging for modes of transportation based on cargo load, distance, delivery etc. |
| Container ship owners | Indian container flagged ship-owners, as: Shreyas Shipping and Logistics (SSLL), Sima Marine (India) Private Limited (SMIPL) and Shipping Corporation of India (SCI) | Scheduled coastal container services, transporting domestic containers across Indian ports |

| Stakeholder segment | Key players | Key operations |
|---|---|---|
| Port | Key ports/terminals connected with scheduled coastal services, as: Mundra, Cochin, Tuticorin, Chennai etc. | Handling of containers<br><br>Storage/clearance of containers at port premises |

*Source: Industry, CRISIL Research*
*Note: here loader refers to the consolidators who book space on liners and arrange for shipment of containers for the end users*

Players offering seamlessly integrated container logistics, with a single point responsibility, alleviate these issues. Another success factor for players providing integrated container logistics are coastal container volume supported through regional liner services (consolidation services though slot agreements with container operators).

**Key differences between integrated container logistics players (loaders) operating on coastal routes vs. other players (loaders) in coastal container value chain**

| **Player** | Integrated container logistics players (loaders) operating on coastal routes | Other players (loaders) in coastal container value chain |
|---|---|---|
| **Scope of connectivity** | Provide end to end integrated container connectivity on coastal routes, including first and last mile connectivity | Coastal container service providers offer port to port connectivity only |
| **Uniformity in services** | Fixed services across inland locations (transported through coastal route), through synchronised arrangements with coastal container service providers | No fixed services |
| **Ownership** | Integrated logistics player, provides single point responsibility | Ownership issues, due to involvement of different stakeholders |
| **Carriage of domestic/EXIM cargo** | Integrated movement on coastal routes can be complimented through Integrated EXIM container operations | EXIM and coastal containers can be carried on Indian flagged ships for port-to-port connectivity only |

*Source: Industry, CRISIL Research*

**Competitive profile**

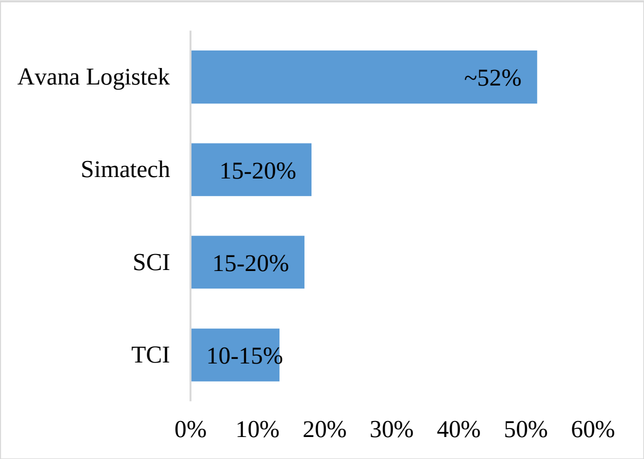
Key players in Indian container logistics on coastal routes are Avana Logistek – part of Transworld group, SMIPL – part of Simatech Shipping group, SCI and TCI. Avana Logistek has a significant market share in the segment followed by SMIPL, SCI and TCI. While Avana Logistek is an integrated container logistics player with wider reach, other players are mainly into different segments of coastal container value chain.

**Key players in container logistics operating on coastal routes**

| Player | Services | Key partners: Ship owners, etc. |
|---|---|---|
| Shipping Corporation of India (SCI), Indian Shipping PSU | Offers only coastal container services across Indian coast | SCI, is a ship owner, which operates two Indian flagged container ships, providing coastal services |
| Sima Marine (India) Private Limited (SMIPL), part of Simatech Shipping Line | Offers only coastal container services across Indian coast | SMIPL, is a ship owner, which has two Indian flagged vessels providing coastal services<br><br>Parent company Simatech Shipping provides EXIM container services at Indian ports |
| Avana Logistek Limited part of Transworld group | Offers integrated container logistics services on coastal routes (including first mile and last mile connectivity), through booking space with ship owners | Shreyas Shipping and Logistics (SSLL)-part of Transworld group, Sima Marine India Private Limited (SMIPL), Shipping Corporation of India (SCI) among others |
| TCI Seaways | Limited coastal services, across select routes | TCI Seaways: Part of Transport Corporation of India (TCI), which is a logistics company, owning 2 vessels. It provides limited coastal services from Indian mainland to Andaman and Nicobar Islands |

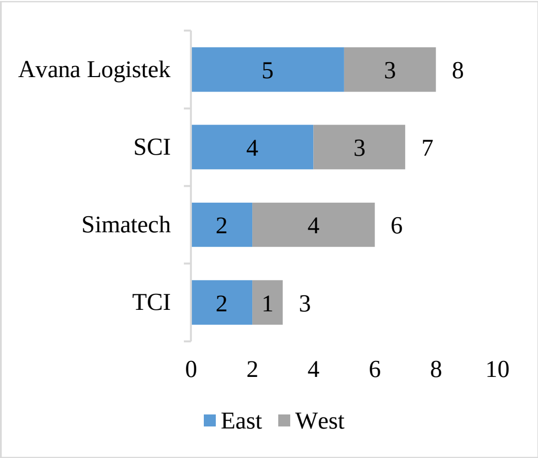
*Source: Industry, Company documents, DG Shipping, CRISIL Research*

**Share of players (loaders) in coastal container movement in TEU-volume terms (Fiscal 2018)**




*Source: RITASS, CRISIL Research*
*Note: this constitutes laden containers only excluding transhipment (coastal and EXIM)*

**Number of ports at which players (loaders) are present**



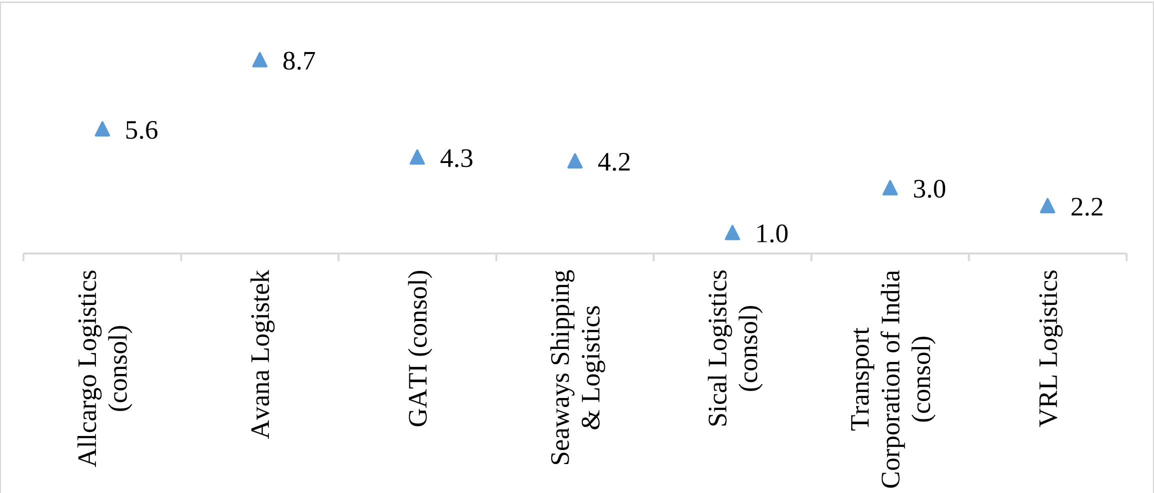

*Source: RITASS, CRISIL Research*

**Asset light model for logistics is key for integrated container operations on coastal routes**

Integrated container logistics players provide container cargo connectivity, utilising coastal movement. In addition to integrated service, their scope of services can include – only port to port connectivity (through booking space with ship owners providing coastal container services), only first/last mile connectivity (through road and rail), domestic 3PL services and road transportation. They can also integrate international container cargo, along with domestic container cargo to achieve economies of scale across, booking of space with container ship owners, as well as inland transportation.

Essential element of integrated logistics service is an asset light model, as compared to other players providing container logistics services. Typically, players providing integrated logistics, specialise through their synchronous and streamlined services, enabled by strategic alliances with transportation asset owners or other players in logistics, e.g. ship owners, ISO container owners, road transportation providers, container train operators etc.

**Key players in Indian logistics sector (Fixed Asset Turnover, Fiscal 2016)**




*Higher Fixed Asset Turnover implies asset light nature and vice versa*

*Source: Company documents, MoC, CRISIL Research*

Avana Logistek operates as an integrated container operator primarily on the coastal routes (including first mile and last mile), while other player provide port to port connectivity, and manage first mile and last mile connectivity through partnerships with logistics players.

As per Avana Logistek's website, Avana Logistek, working in tandem with its parent companies, provides customised integrated transportation solutions to domestic and international clients. Avana Logistek also works with other coastal container shipping service providers through booking container space or providing last mile and/or first mile connectivity. Following table summarises different aspects of container operators on coastal routes.

**Scope of services – Key players (loaders) in container logistics operating on coastal routes**

| Company | First mile | Coastal | Last mile | Integrated | Parent group support – International | Parent group support – Domestic |
|---|---|---|---|---|---|---|
| SCI | | Coastal service provider | | | Limited international operations | |
| SMIPL | | Coastal service provider | | | Simatech Shipping (parent company) operates international services | |
| Avana Logistek | Through Avana Logistek operated vehicles | Booking space with container ship owners/operators | Through Avana Logistek operated vehicles | Door-to-Door service with wider coverage, through collaboration with ship owners | Avana Logistek's subsidiary, Avana Global FZCO – Regional liner operating on India-GCC and India-SEA routes | Group company, SSLL – Operates 13 Indian flagged vessels on Indian coastal as well India-GCC route |
| TCI | Through TCI operated fleet | Limited coastal services, across select routes only | Through TCI operated fleet | | | Limited support through logistics operations of TCI |

*Source: Industry, Company documents, DG Shipping, CRISIL Research*

**Avana Logistek Limited**

Avana Logistek Limited is a Transworld group entity. Avana Logistek is an integrated container logistics provider operating on coastal routes. As per Avana Logistek's website, Avana Logistek, working in tandem with its parent companies, provides end to end customised integrated transportation solutions including first/last mile connectivity through its tie-ups in integrated transportation (air, coastal, rail and road).

It also connects key Indian ports, through container slot booking with SSLL and other container ship owners. Thus by means of first mile and last mile connectivity options, Avana Logistek provides value-added B to C focused services.

In 2017, the company acquired Avana Global FZCO, Dubai (a regional liner operator) from its parent company. Post-acquisition, Avana Logistek has expanded its foot print to Middle East, a key transshipment hub for cargo from India.

**Financials**

| | Units | March 2014 | March 2015 | March 2016 |
|---|---|---|---|---|
| Operating income | Rs million | 3,094 | 3,753 | 4,269 |
| Operating margins | Per cent | 3.5 | 4.7 | 1.6 |
| Net profits | Rs million | 32 | 80 | 9 |
| Net margins | Per cent | 1.0 | 2.1 | 0.2 |
| RoCE | Per cent | 15.6 | 29.5 | 6.3 |
| Gearing | Times | 2.0 | 1.3 | 2.4 |
| Net cash accruals to debt | Times | 0.14 | 0.28 | 0.05 |
| Interest coverage | Times | 2.6 | 4.6 | 1.8 |
| Current ratio | Times | 1.0 | 1.2 | 1.1 |

*Note: Annual statements re-classified as per CRISIL Standards*
*Source: Company, CRISIL Research*

**Sima Marine (India) Private Limited**

Sima Marine (India) Private Limited ("**SMIPL**"), is part of Simatech Shipping Line group. Simatech Shipping Line is a Gulf-based shipping company, incorporated in 1992. It has more than 50 offices spread across the world. It offers services from 37 ports – 13 ports in GCC, 10 ports in India, eight ports in Southeast Asia and Far East, 2 ports in Somalia and 1 each in Pakistan, Iraq, Sri Lanka and Bangladesh. In India, SMIPL operates 2 Indian flagged vessels, Sarayu and Pamba-1, having capacity of 2,452 TEU each.

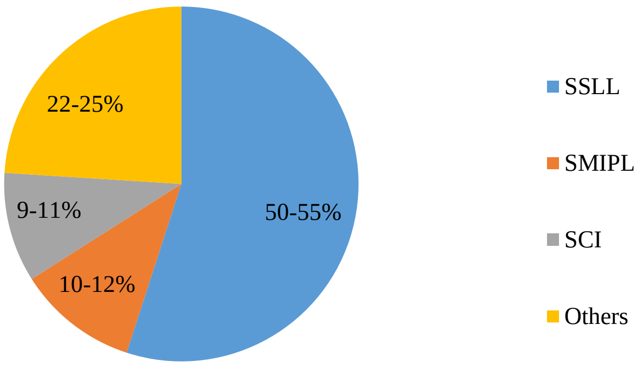
**Financials**

| | Units | March 2014 | March 2015 | March 2016 |
|---|---|---|---|---|
| Operating income | Rs million | 122 | 257 | 257 |
| Operating margins | Per cent | 24 | -0.8 | -21 |
| Net profits | Rs million | 28 | -4 | -59 |
| Net margins | Per cent | 23.1 | -1.4 | -23 |
| RoCE | Per cent | 0 | 0 | 0 |
| Gearing | Times | 0 | 0 | 0 |
| Net cash accruals to debt | Times | 0 | 0 | 0 |
| Interest coverage | Times | 91.9 | -10.3 | -157 |
| Current ratio | Times | 1 | 1 | 0.3 |

*Note: Annual statements re-classified as per CRISIL Standards*
*Source: Company, CRISIL Research*

As per Shipping Statistics, 2017, Indian container tonnage is ~0.6 million DWT, share of SSLL in container tonnage is 50-55%, SMIPL has a share of 10-13%, while SCI has a share of 9-11% in Indian container fleet.

**Share of key players (loaders) in Indian container fleet (in tonnage terms)**




*Source: Ministry of Shipping, Company Reports, CRISIL Research*

Among the key Indian shipowners for container fleet, SSLL has the widest geographical reach as it caters to 4 different routes along the eastern and western coast of India calling at 15 different ports including two international calls. In comparison SCI and SMIL both service two routes each.

Key services in Indian sub-continent, which connect containerised coastal cargo, along with EXIM or transhipment cargo, are:

**Shreyas Shipping and Logistics operates following services connecting EXIM as well coastal containers**

| Services | Ports connected | Remarks |
|---|---|---|
| PIX 1 | Mundra – Hazira – Cochin – Tuticorin – Mangalore – Mundra | Coastal service |
| PIX 2 | Jebel Ali – Hamad – Mundra – Krishnapatnam – Katupalli – Tuticorin – Cochin – Jebel Ali | EXIM/Coastal service Collaboration with SCI |
| SMILE | Mundra – Cochin – Tuticorin – Pipavav - Mundra | Coastal service Collaboration with SCI |
| ECC | Krishnapatnam – Kolkata – Krishnapatnam<br>Krishnapatnam – Visakhapatnam – Haldia – Paradip – Visakhapatnam – Krishnapatnam | Coastal |

*Source: Company websites, CRISIL Research*

**Sima Marine (India) Private Limited provides following services in Indian sub-continent, through collaboration with parent Simatech group**

| Services | Ports connected | Remarks |
|---|---|---|
| India West Coast route | Colombo – Mundra – Pipavav – Goa – Mangalore – Cochin – Colombo | Coastal/Transhipment |
| CCG route | Chennai – Vizag – Katupalli – Colombo – Cochin – Colombo – Chennai | Coastal/Transhipment |

*Source: Company websites, CRISIL Research*

Simatech Shipping has other shipping services, which connect few of the Indian ports with Far East and Middle East. As per Shipping Statistics 2017, Sima Marine (India) Private Limited has two Indian flagged container vessels, while SCI has also has two Indian flagged container vessels.

**SCI provides following coastal services**

| Services | Ports connected | Remarks |
|---|---|---|
| SCI Middle East Liner Express (SMILE) | Mundra – Cochin – Tuticorin – Pipavav – Mundra – Jebel Ali | Coastal/EXIM Collaboration with SSLL |
| PIX 2 | Jebel Ali – Hamad – Mundra – Krishnapatnam – Katupalli – Tuticorin – Cochin – Jebel Ali | EXIM/Coastal service Collaboration with SSLL |

*Source: Company websites, CRISIL Research*

**Domestic multimodal container logistics[4] market pegged at Rs 12-15 billion**

The domestic multimodal container logistics market comprises seaborne container movement, port handling, and first and last mile connectivity by road or rail. Of the overall market of Rs 12-15 billion as of Fiscal 2017, the share of road and rail container transportation, together, was ~35%. Roads have a major share of container movement as containers are usually destined for discrete locations in the hinterland which are economically serviced by road. Also, cargo origins and destinations are typically 250-300 km from ports, making roads competitive.

**Benefits of containerization**

| | |
|---|---|
| Swift handling of cargo | Savings in packaging costs as goods can be packed in cartons instead of cases |
| Reduction in transit time due to faster cargo movement, thereby saving on inventory costs | Ease of handling cargo in the container form has shifted the focus from disparate transport activities towards a transportation chain |
| Ability to leverage mechanised cargo handling due to standardised containers | Reduction in freight rates in case of ocean and inland transportation |
| Storage savings in port warehouses | Reduction in inventory cost for exporters and importers, due to shorter, assured transit times |

**Technology has become an enabler for integrated container logistics on coastal routes**

With the evolution of containerisation, technology has evolved to make intermodal transport more efficient. Advanced technologies are applied across different legs of transportation to improve visibility and control across the entire value chain. A few examples in this regard are:

- Ocean freight: Usage of containers, equipped with communication devices, which can interact among themselves as well as company servers, enabling all-round observation of containers on ship
- Port terminals: Container tagging to segregate multimodal cargo as per their destinations (port yard, road, rail, trans-shipment etc.), radio frequency-based systems to produce real time reports of congestion levels, throughput, import-export frequency etc., portals as port community systems (PCSs), vessel traffic management systems (VTMSs), etc., allowing stakeholders to view the status of container cargo. Automated export-import document management for swifter evacuation of cargo, entry-exit systems based on barcode scanning, with minimal human intervention, etc.
- Inland logistics, key technological advancements across inland movement are:
    - Route optimisation: which offers various advantages, including the use of fewer vehicles for a larger number deliveries, thus covering a larger area with fewer resources

[4] *Involving coastal movement*

- GPS tracking: which enables real time tracking of individual containers or vehicles, facilitating quick monitoring of container receipt and dispatches

Other key technological advancements in integrated logistics are Blockchain, artificial intelligence (AI) and digitisation, which are aiding companies in cutting costs and rationalise their operations to serve customers efficiently.

**Digitisation, AI and Blockchain, are impending disruptions for integrated container logistics**

**Digitisation**: Digitisation is playing a significant role for transformation of logistics, through development of customer focused logistics solutions and acting as a facilitator for efficient, consistent and transparent implementation of these solutions. Few of the facets of digitisation for logistics are:

**Key areas – Digitisation**

| Key facet | Description | Examples |
|---|---|---|
| Specificity | Discrete logistics functions configurable as per the needs of digitised platforms. | Customised apps for shipping information, industry specific dashboards etc. |
| Conjoint data | Disjoint data pertaining to accompanying services to logistics operations can be systematically mapped to produce inferences | Different data points as, congestion at ports, non-working time at toll roads, container handling at port yards etc. can be combined to gather insights for particular transit lanes |
| Real time | Parallel updates across different functions can bring improve decision making | |
| Robustness | Norms derived through digitised data can serve as means of error-avoidance and wastage reduction, across logistics sub-processes. | Optimising cargo loads as per company's transport capacity, programmed identification of cargo destined for routes etc. |

*Source: Industry, CRISIL Research*

**Artificial intelligence ("AI")**: AI, typically, refers to utilisation of machines to perform goal oriented actions, based on evolving and independent assessment of dynamic datasets. AI has various advantages in terms of predictive analysis and self-learning algorithms.

**Block chain**: which can revamp the record maintenance requirements in logistics. Blockchain-enabled records of transactions related to shipments, which are verified, immutable and secure, will ease data collection hassles across the supply chain.

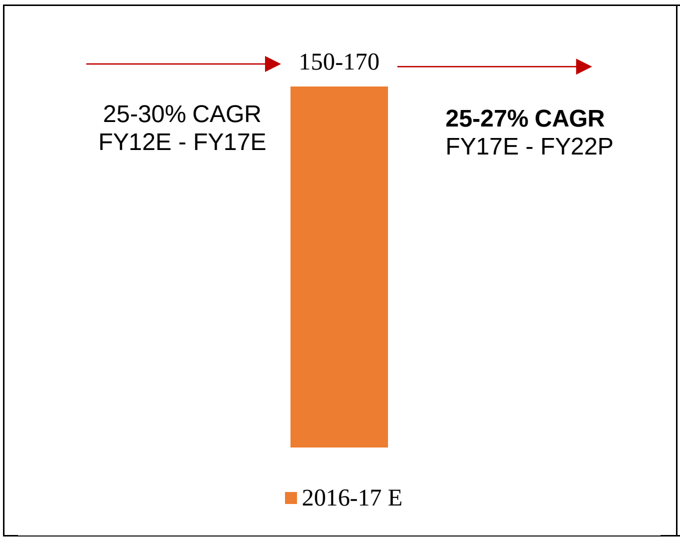
**Outlook – container logistics on coastal routes**

Growth in container logistics is expected from existing as well new cargo streams.

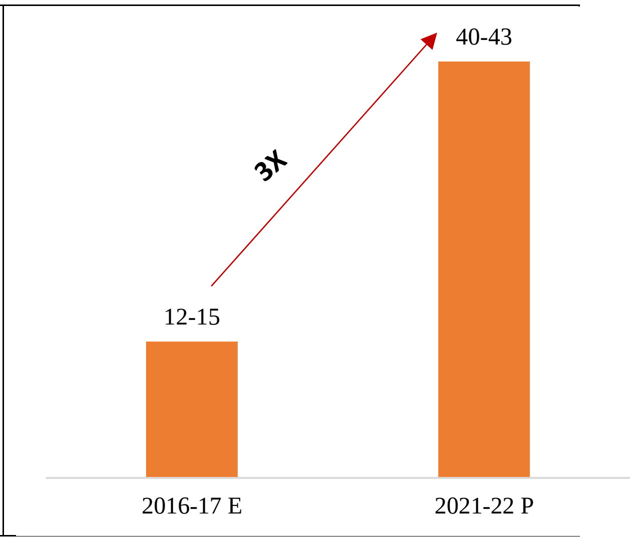
***Coastal container traffic to grow at a 25-27% CAGR by fiscal 2022; Market for Integrated container logistics on coastal routes to remain buoyant too***

Coastal container traffic, which is still evolving, is expected to double in the next three years and expected to clock a 25-27% CAGR by Fiscal 2022. Growth is driven by supply-side push as well as demand potential. Clean bulk will drive growth in the near term, followed by volumes from the non-bulk category, along with support from existing cargo segments. Integrated container logistics providers market will also triple by Fiscal 2022, driven by evolved end-to-end services by players. Rail can gain a marginal share in the modal mix, due to the aggregation of cargo from key clusters.

**Growth in coastal container trade ('000 TEU)**




**Market for Integrated container logistics on coastal routes (Rs billion)**




*Source: DG Shipping, Ministry of Shipping, CRISIL Research*

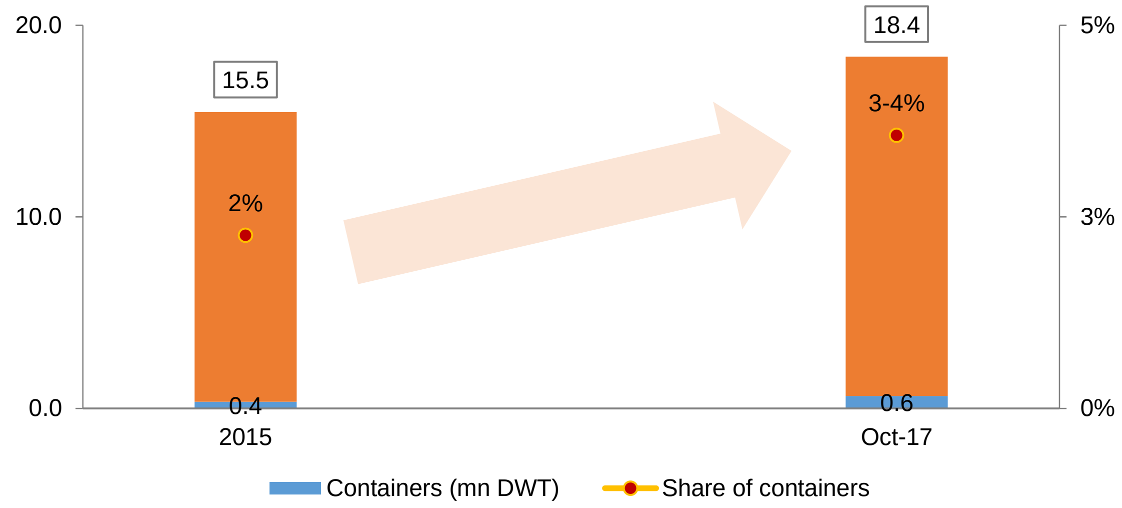
**Policy support for coastal movement to remain a key**

- In Fiscal 2016, the Indian government provided the exemption of custom and excise duty leviable on the Indian registered ships transporting EXIM, domestic or empty containers between any two ports of India. This initiative aided in increased competitiveness among coastal containers.
- In the absence of dedicated berths for coastal shipping, the ships moving coastal cargo often get a lesser priority at ports in India. The ships moving overseas cargo are also a bigger revenue source for ports, compared with ships moving coastal cargo. The government scheme for subsidy on construction of coastal berths will reduce the waiting time for coastal ships, cutting the transit time as well as costs.
- The government is also promoting the containerised movement of food grains, through rail, road as well as coastal movement, which deals with issues of multiple handlings, wastage, pilferages and quality issues. In the first half of fiscal 2018, Food Corporation of India (FCI) moved ~50 container rakes for food grains, resulting in a freight savings of Rs ~16 million.
- In Fiscal 2017, the Union government extended its freight reimbursement policy for the movement of fertilisers (P&K) for coastal shipping and inland waterways. This was earlier applicable to the movement of fertilisers by railways, from the plant or port to various rake points across districts.

**Expanding container fleet will be a key supply-side factor**

Indian-flagged containerships can carry EXIM, domestic and empty containers along the Indian coast. The exemption of excise and customs levy on bunker fuel has been a key positive for the sector. As per a PIB release November 2017, Indian container tonnage has increased from 0.3 million deadweight tonne (DWT) in calendar 2015 to ~0.6 million DWT in October 2017. The share of container fleet has also increased from ~2% in 2015 to 3-4% by October 2017. With an expanding fleet, Indian ship owners can service more containerised cargo, EXIM as well as domestic.

**Share of container ships in the Indian fleet (million DWT)**




*Source: DG Shipping, Ministry of Shipping, CRISIL Research*

**Coastal route, as an economic and environment friendly mode, can de-congest road and rail modes**

Coastal route is significantly cheaper than road and rail (around 60-80% cheaper than road and rail). The CO2 emissions from coastal mode are also ~80% lesser than road, which makes coastal mode as an environmental friendly mode as well.

Besides being cheaper, sea-based transportation is the most environment-friendly among surface transportation modes. As per a 2013 National Transport Development Policy Committee (NTDPC) report, carbon dioxide emissions for road were 59 grams per tonne km, followed by rail at 21 grams per tonne km. Shipping contributes the lowest in carbon dioxide emissions at 10 grams per tonne km.

Due to the larger parcel sizes in coastal mode, shifting from road and rail mode, can result in substantial easing in terms of congestion, part from the cost savings and lower emissions. A 1,500 TEU container vessel can transport 1,500 TEU in one journey, which can displace ~25 container rakes and ~1,500 container trucks, if cargo shifts from road and rail to coastal mode. With increasing awareness and streamlined supply chains, coastal mode can be aid in de-congestion of road and rail networks.

**Better utilisation of fleet will enable the reach to key routes**

With a larger Indian container fleet, coastal container operations can be expanded on further routes. Indian flagged players are allowed to carry EXIM containers along with coastal containers, which will aid them in aggregating volumes on routes with lower coastal cargo. Aggregation of EXIM and coastal volume and vessel-sharing arrangements among Indian coastal container shippers (e.g., Shreyas Shipping and Logistics Limited and Shipping Corporation of India operate as a consortium on a few coastal services) for voyages along the Indian coast can enable economies of scale of Indian flagged shippers, increasing fleet utilisation as well.

The share of Indian liners in container cargo is very low and has historically remained low. The key reason is that Indian ship owners operate as regional line operators (they carry cargo on limited non-trunk routes) or feeders, which carry transhipment cargo for mainline operators largely. However, with a growing Indian container fleet, an uptick can be expected in transhipment, EXIM as well as coastal volumes.

**Multi-modal movement of key bulk commodities to add substantial volumes in the long term**

***Food grains***

Agro products are also important constituents for coastal containers, besides building materials. FCI is focussing on containerisation of food grains and multi-modal movement through roads, rail, coastal and riverine routes. As per a PIB release, in the fourth quarter of fiscal 2016, the government approved container movement of ~20,000 tonne of rice from Andhra Pradesh to Kerala through the sea route. Containerised coastal shipping of cereals, particularly, can alleviate the problems of quality control, which FCI is grappling with for long.

***Fertilisers***

With the coastal route also coming under freight reimbursement for fertilisers, the share of coastal shipping is expected to increase in the modal mix for fertilisers. The share was earlier dominated by railways (more than 90%). With the production of fertilisers mainly taking place in the coastal regions, coastal movement of fertilisers seems a natural fit. The majority of movement will happen along the east coast, due to the presence of many fertiliser plants. Containerised coastal shipping of fertilisers can enable handling of fertilisers at container berths, besides general cargo and clean cargo berths.

**Interstate rail movement for key clean bulk commodities for coastal states**

| Commodity group | Key interstate rail movements | Estimated volume (million tonne) |
|---|---|---|
| Cereals | • Andhra Pradesh to Kerala<br>• Andhra Pradesh to West Bengal<br>• Karnataka to West Bengal<br>• Odisha to Tamil Nadu | 1.0-1.5 |
| Fertilisers | • Odisha to Karnataka<br>• Odisha to Tamil Nadu<br>• Andhra Pradesh to West Bengal | 0.4-0.7 |

*Source: Industry, DGCIS, CRISIL Research*

***Steel products***

Coastal steel plants are key candidates to utilise integrated container transport on coastal routes, involving coastal route, to deliver cargo to their stockyards in the vicinity of port cities. Containerisation of steel products is also advantageous, as it saves on multiple handling costs of steel cargo. In such a move, Rashtriya Ispat Nigam Limited (RINL), located in Vizag, signed a contract in the second half of fiscal 2018 to utilise integrated container logistics for transporting steel via coastal routes.

As per a November 2017 PIB release, RINL awarded an annual contract of Rs 7.5 billion to a consortium led by Shreyas Shipping and Logistics Limited (SSLL), a subsidiary of Dubai-based Transworld group. The contract involves taking delivery of material from plant, shifting by road to Vizag or Gangavaram ports, shipping the material by sea to a port near the stockyard and finally delivering the material to RINL's stockyard. The expected volumes are 90,000 tonne, 75,000 tonne and 60,000 tonne to Ahmedabad, Mumbai and Kochi stockyards, respectively.

**Key coastal movement of steel products (containerised or non-containerised)**

| Movement | Key interstate coastal movements | Estimated volume (million tonne) |
|---|---|---|
| West to East | • Gujarat to Maharashtra<br>• Gujarat to Tamil Nadu | 0.5-0.7 |
| East to West | • Andhra Pradesh to Maharashtra<br>• Andhra Pradesh to Gujarat | 0.1-0.2 |

*Source: Industry, PIB, GMB Annual Report, CRISIL Research*

**Containerised non-bulk commodities also hold immense potential**

Rail is a competitive mode for 800-1000 km, beyond which coastal route also starts becoming economical. Considering an estimated[5] inter-state rail movement across coastal states, key containerisable non-bulk commodities, which can be prime candidates for coastal movement, are:

**Interstate rail movement for key non-bulk commodities for coastal states**

| Commodity group | Key interstate movements | Estimated volume (million tonne) |
|---|---|---|
| Miscellaneous items | • Gujarat to West Bengal | 0.5-0.8 |

[5] *Estimated through DGCIS data for interstate rail movement*

| Commodity group | Key interstate movements | Estimated volume (million tonne) |
|---|---|---|
| | • Gujarat to Tamil Nadu<br>• Gujarat to Karnataka | |
| Chemicals (paints and varnishes) | • Gujarat to Andhra Pradesh<br>• Gujarat to Karnataka<br>• Andhra Pradesh to West Bengal | 0.4-0.7 |
| Sugars and confectioneries | • Andhra Pradesh to West Bengal<br>• Karnataka to West Bengal<br>• Maharashtra to West Bengal | 1.1-1.4 |
| Wood articles | • Tamil Nadu to West Bengal | 0.1-0.3 |
| Inorganic chemicals | • Gujarat to West Bengal<br>• Gujarat to Tamil Nadu | 0.1-0.3 |

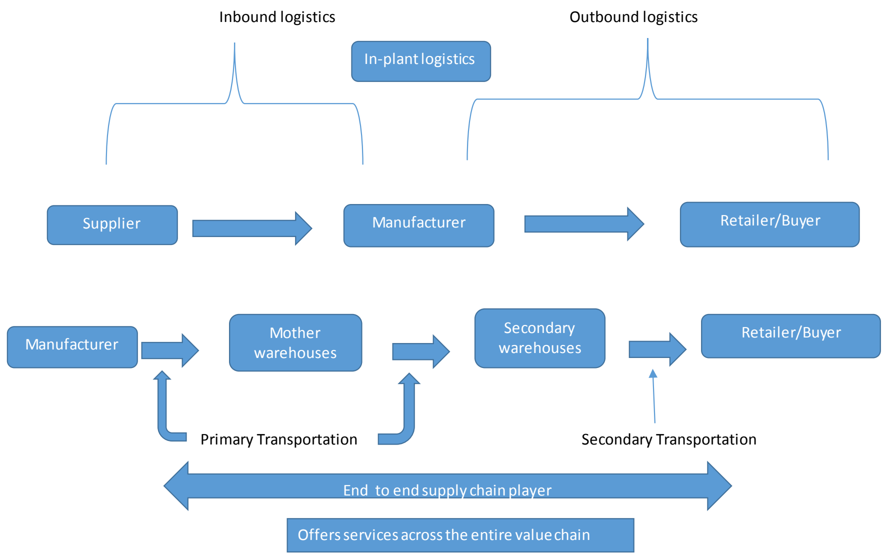
*Source: Industry, DGCIS, CRISIL Research*

**Overview of allied logistics sectors**

**Third-party logistics players gaining traction in India**

CRISIL Research has defined a Third-party logistics (3PL) company as an end-to-end supply chain management player who can provide supply chain design and consulting, access to multi-modal transportation, and infrastructure services like warehousing and cold storage, as well as relevant value-added services including repackaging, reverse logistics, etc. However, the 3PL player does not necessarily have to provide all of these services and need not cater to all the logistics requirements of a company.

**Typical supply chain management model**




*Source: CRISIL Research*

**Third party logistics comprises 20-25% of the logistics market in India**

CRISIL Research has estimated the 3PL market in India at Rs 325-335 billion in 2016-2017 (about 20-25% of the total logistics market in India), which is expected to grow at a CAGR of 19-21% to reach Rs 570-580 billion by 2019-2020. CRISIL Research has considered the following sectors for estimating the 3PL market in India.

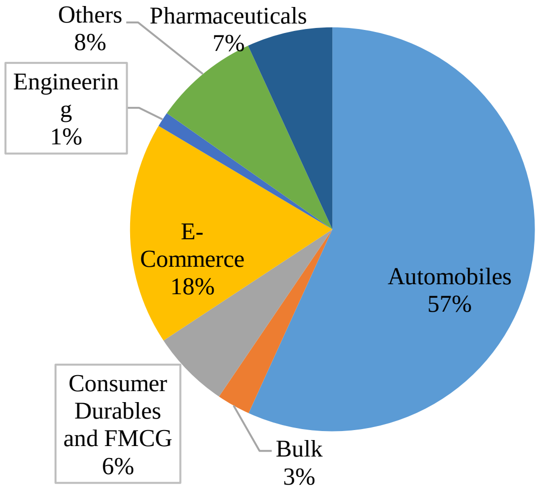
**#Sectors considered for 3PL market sizing**

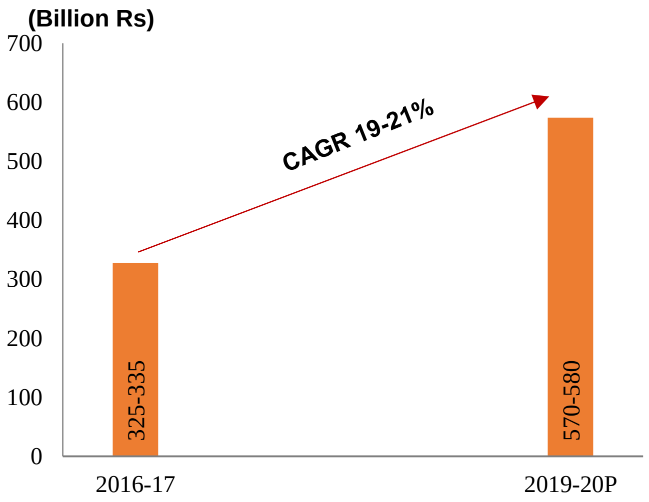
| Sr No | Sector | Sub-sectors included |
|---|---|---|
| 1 | Automobiles | 2 and 3 wheelers, cars and UVs, commercial vehicles, tractors and auto components |
| 2 | Engineering | Light engineering, heavy engineering |
| 3 | E-commerce | |
| 4 | Consumer | Consumer durables, electronics, fast moving consumer goods (FMCG) |
| 5 | Pharmaceuticals | |
| 6 | Bulk | Steel, cement |
| 7 | Others | Organised retail, telecom (infrastructure and services) |

*Note: Above segments include both outbound and inbound; except Bulk which is outbound*

Within 3PL market, the Automobiles sector is estimated to account for more than half of the Industry size, followed by ecommerce which is estimated to account for 18%.

**Automobile sector (including auto comp.) is the largest end user of 3PL services**




*Source: CRISIL Research*

The share of 3PL in the overall logistics market (for the segments stated above) is expected to increase from around 21% in 2016-17 to around 25% by 2019-2020.

**Going forward, sectors like automobiles, e-commerce, consumer goods, organized retail and engineering are expected to have high 3PL potential.**

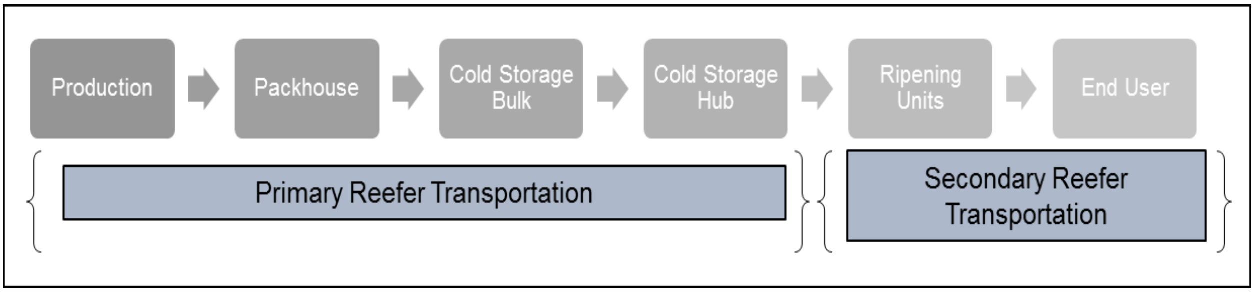
In case of automobiles (OEM), in spite of the current higher levels of penetration especially in inbound logistics, the 3PL market still has a sizeable opportunity to increase its share in outbound and inplant logistics.

In case of e-commerce and organized retail, the sheer growth prospects of the industry itself (~30-35% CAGR for e-commerce and ~20-25% CAGR for organized retail) represents a huge opportunity for 3PL players

**Integrated models, diversification across end-user industries aid growth of cold chain industry**

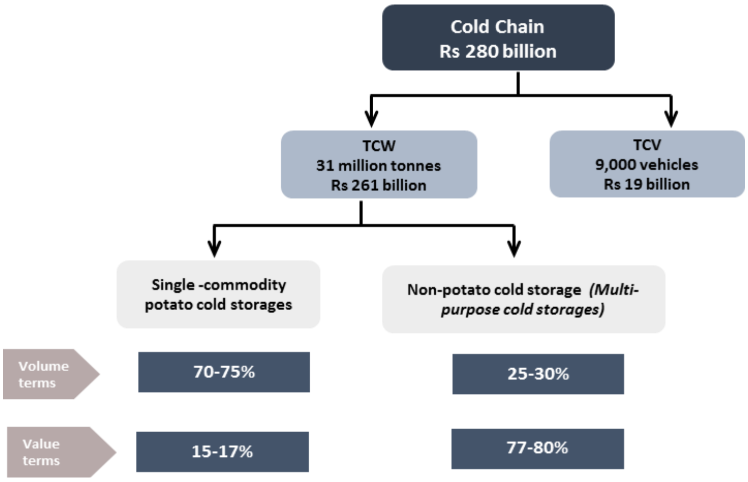
**A cold chain is a temperature-controlled supply chain that serves as a vital link between a production centre and end-user market**

**Cold chain process**



*Source: NCCD, CRISIL Research*

**Temperature-controlled warehousing (TCW) to drive Industry growth[6]**

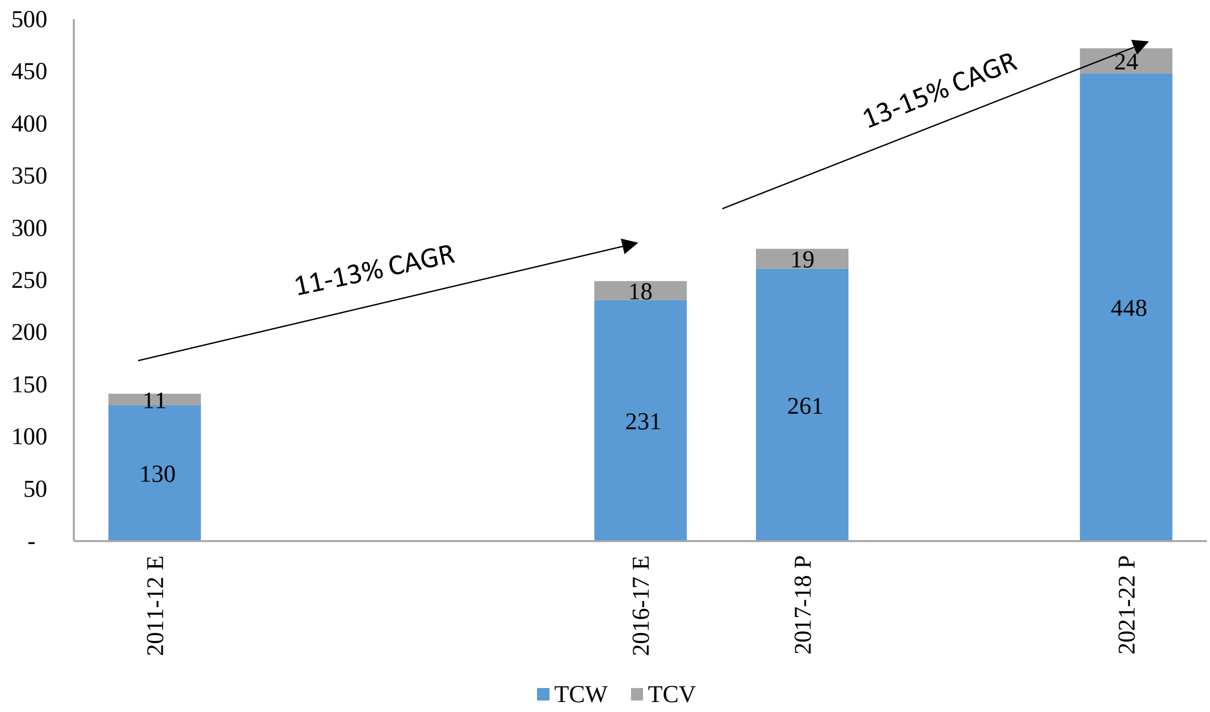



*Source: Industry, CRISIL Research*
*Note: TCW –Temperature-controlled warehouse, TCV –Temperature-controlled vehicles*

CRISIL Research estimates the cold-chain industry to grow at 13-15% CAGR from Rs 248 billion in Fiscal 2017 to Rs 472 billion in Fiscal 2022, primarily driven by TCWs which account for over 90% of industry revenue.

Revenues for TCWs are projected to increase at 13-15% CAGR over next five years, driven by 5-6% and 2-3% CAGR in volumes and rentals respectively, aided by rising share of high-rental-driven, multi-purpose cold storages.

**Market size of cold chain Industry**



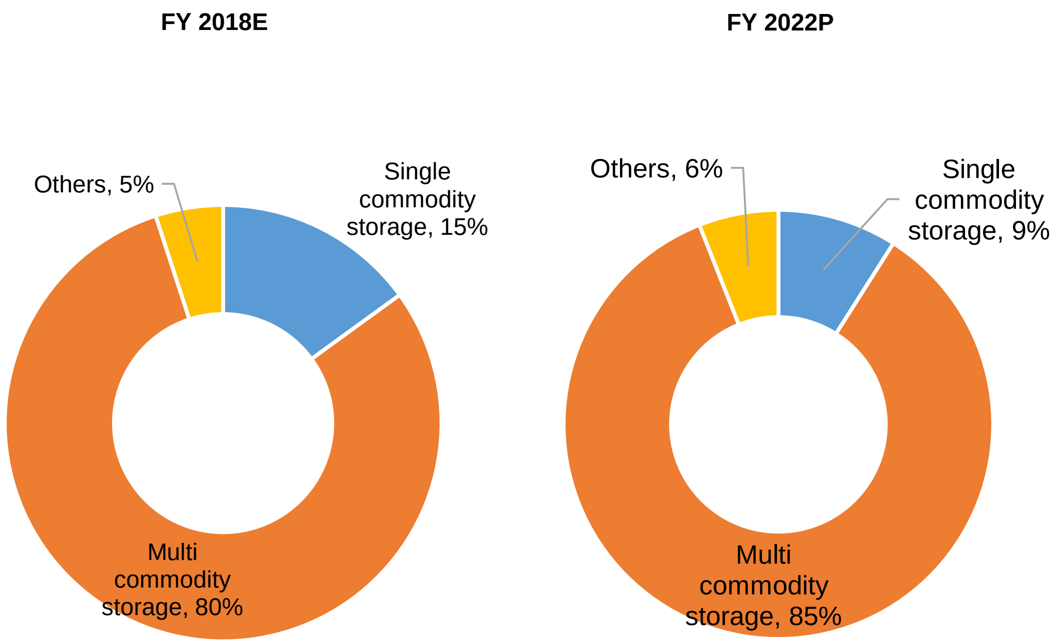

*Source: CRISIL Research*

**Multipurpose cold storages to gradually gain volume share**

Temperature-controlled warehouses/cold storage industry in India can be broadly classified into two segments: single-commodity cold storages which are dominated by unorganised players and multi-commodity cold storages marked by considerable presence of organised players.

[6] *Market size numbers are indicative estimates for Fiscal 2018*

**Segment-wise share in TCW in value terms**




*Source: CRISIL Research*

Over next five years, multipurpose cold storages would gradually gain volume share over single-commodity (potato) cold storages, due to following reasons:

- Increasing exports of meat, sea-food, and pharmaceutical (primarily bio-pharmaceuticals)
- Growth in production of multi-purpose cold storage commodities (fruits and vegetables, sea-food and pharmaceuticals) will outpace potatoes. Imported fruits like kiwi from New Zealand and apples from Washington will drive growth

Revenues of temperature-controlled vehicles (TCV) industry, on the other hand, are expected to rise only moderately at compounded annual growth rate (CAGR) of 6-8% over next five years, compared with 10-12% CAGR over past five years.

Integrated cold chains, combining TCW and TCV services, are trending now in logistics. Most cold chain players offer TCVs as an auxiliary service, to augment the key business of TCWs.

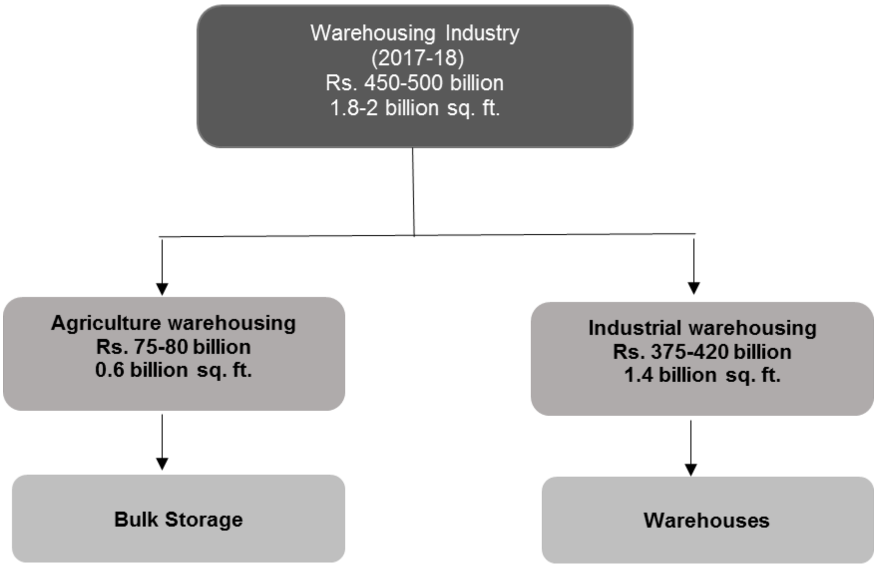
CRISIL Research estimates investments of Rs 150-200 billion to flow into the cold-chain industry over Fiscals 2017 to 2022. About 90% of the total investments are expected to flow into TCW segment, primarily multipurpose cold storage. Faster payback would boost investments in multipurpose cold storages.

**GST to drive ambient industrial warehousing[7] segment**

Ambient Indian warehousing industry can be broadly classified into two sub-segments, namely, industrial warehousing, accounting for about 83%, and agricultural warehousing, accounting for the rest.

**Market size of Ambient Indian warehousing Industry**

[7] *The warehousing section includes only ambient warehousing. Cold chain has been covered separately.*



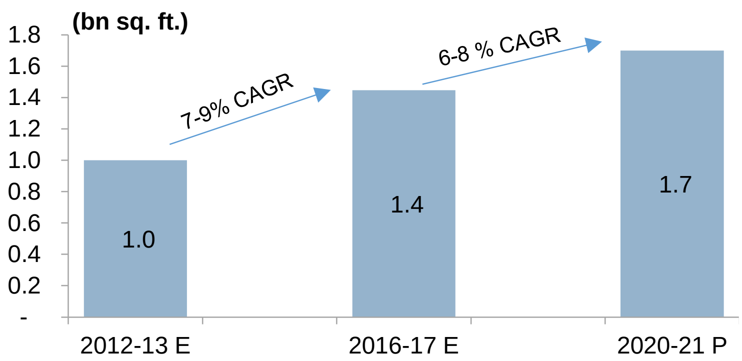

*Source: CRISIL Research*

**Ambient Industrial warehousing to drive overall demand in India**

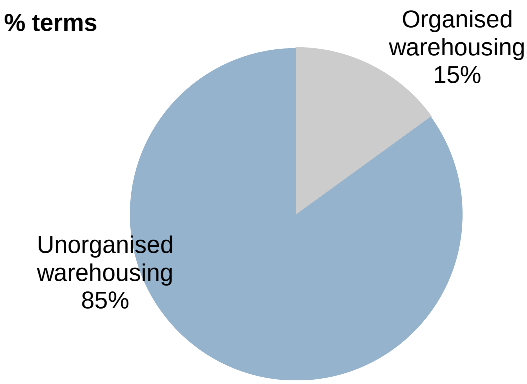
CRISIL Research estimates the ambient warehousing industry to grow at 6-8% CAGR in square feet terms from Fiscals 2018 to 2021. The industrial segment, which accounts for nearly two-thirds of the industry (agricultural warehousing comprising the remainder), is expected to drive growth, led by the organised segment (largely third-party logistics players) fuelled by consolidation and value-added services.

However, we expect demand for ambient industrial warehousing to increase moderately over next three years, pushed by strong growth in end-user industries such as e-commerce, organised retail, and pharmaceuticals, among others. Organised warehousing players, largely third-party logistics (3PL) players, providing value-added services would drive growth on account of consolidation.

**Industrial warehousing to lead growth**




**Unorganised segment dominates warehousing**




*Source: CRISIL Research*

**GST leading to growth of consolidated warehouses**

Under the Goods and Services Tax (GST), emphasis on value addition; amalgamation of a large number of central and state taxes into a single tax; and set-off allowance of prior-stage taxes will mitigate the ill effects of cascading. This will also allow free flow of tax credit in intra and inter-state transactions, leading to a more efficient and leaner tax structure.

As a result, consolidation is expected to lead to warehousing cost savings for consumer durables and FMCG players. CRISIL Research's analysis of FMCG and consumer durables projects warehousing cost for consumer durables to halve and fall by 25-30% for FMCGs over long term due to GST implementation. Consequently, number of warehouses could reduce from 25-30 to 10-12 for a consumer durables company, and from 45-50 to 30-35 for an FMCG company.

**Infrastructure initiatives:**

The development of various industrial corridors such Delhi-Mumbai, Bangalore-Chennai, Mumbai-Bangalore, Amritsar-Kolkata, and Vizag-Chennai will help build an efficient industrial infrastructure and logistics ecosystem across the key warehousing locations. Companies would prefer to set up warehouses in their vicinity due to the proximity of industrial zones and availability of multi-modal transport services. For instance, the development of a dedicated freight corridor from Vasai in Mumbai to Dadri in Uttar Pradesh will support existing warehousing locations such as Mumbai and NCR. Dadri in UP is within a range of 50-100 km from Ghaziabad and Gurgaon, which are key warehousing locations across NCR.

**GST to usher warehousing investments in India; Sizeable investments expected over next three years, led by organised industrial warehousing**

CRISIL Research projects investments in the warehousing (agricultural and industrial) sector to touch Rs 250-300 billion over next three years on expectations of increased demand; industrial warehousing is likely to comprise over 85% share of total investments.

**Organised players to drive investments in industrial warehousing**

Investment in industrial warehouses is expected to be propelled by the organised segment, particularly by third-party logistics (3PL) players, multinationals, and real estate companies. The focus will be on establishing logistics and multi-modal logistics parks other than free-trade warehousing zones.

Additionally, implementation of Goods and Services Tax (GST) will lead to consolidation in warehousing requirements and network logistics. For example, a large warehouse may now service two or more states.

**Port traffic to grow at 3-5% CAGR, containers to drive traffic growth**

CRISIL Research expects port traffic to grow at a prudent rate of 3-5 % over fiscal 2017 to 2022, compared with the compound annual growth rate (CAGR) of 4.4% seen in the last five years

Container traffic is projected to log a CAGR of 6-8% in the next five years riding on improvement in EXIM trade in manufacturing sectors such as petrochemicals and automotive/ancillaries, to name a few. Additionally, incremental transhipment traffic is expected from upcoming facilities in the southern states.

**Investments of Rs 300-350 billion expected in ports sector during fiscals 2017-22**

A major part of investment in ports in past five to six years has come from the private sector, with much of it going to non-major ports. Contribution of the public sector has been limited to maintenance of draft and building of allied infrastructure such as roads at major ports.

CRISIL Research expects Rs 300-350 billion to be invested in the sector till fiscal 2022:

- Maharashtra, Gujarat, Odisha, Tamil Nadu, and Kerala will together account for 80-85% of total investment
- We expect 55-60% of the investment to be focused on major ports, which will account for 55-60% of capacity additions

**LNG and container projects to drive investments**

LNG (liquefied natural gas) and container capacities typically require more capital in terms of machinery and technical equipment, compared with dry bulk and crude-handling terminals. We forecast coal, containers, and POL (including liquefied natural gas (LNG) and liquefied petroleum gas (LPG)) to likely account for 80-85% of capacity additions and ~80% of overall investments over fiscals 2018 to 2022.

POL and containers are expected to drive investments, constituting 40-45% and 25-30% respectively, of total expected investments.

**Summary of investments in logistics sector in next five years**

| Sector | Investments | Key drivers |
|---|---|---|
| Roads | Rs 10-12 trillion | Awarding by National Highways Authority of India, Bharatmala paryojna |
| Railways* | Rs 6.8 trillion | Availability of funding improved pace of execution |
| Ports | Rs 300-350 billion | New container and liquefied natural gas terminals |
| Warehousing* | Rs 250-300 billion | Investments by organised 3PL players, consolidation due to GST |
| CFS/ICD* | Rs. 18-22 billion | Investments to be driven by ICD segment |
| Cold chain | Rs 150-200 billion | Increased demand for multipurpose TCWs from agro and dairy segments |

**: Investments for Railways are for fiscals 2019 to 2022, while for warehousing and CFS are for fiscals 2018 to 2020*
*Source: CRISIL Research*

**Porter's five force model for logistics Industry**

| **Competition:** Medium to High | Threat of new entrants: Low to Medium | Bargaining power with buyers: High | Threat of substitutes: Low to Medium | Bargaining power with suppliers: Medium |
|---|---|---|---|---|
| • Under warehousing 80-85% is unorganised while under cold storage largely single commodity potato cold storages are unorganised (volume terms)<br>• 3PL players provide integrated end to end supply chain solutions which include warehousing, cold chain etc.Hence, competition is lower than standalone players | • Players under industrial warehousing generally operate on asset light models which makes entry of new players easier.<br>• Capex requirement for cold chain is typically high due to huge outlays in plant and machinery. | • Fragmented nature of the industry and unwillingness of end user industries to spend on logistics makes it diificult for logistics players to charge higher rentals.<br>• 3PL players are able to charge higher rentals in comparison to standalone players due to integrated nature of services offered. | • Under warehousing, most end user industries are dependent on logistics players for their storage and transportation solutions.<br>• While for cold storage, end user such as Fruits and vegetables, dairy, industries typically invest in cold storages due to availability of government subsidy.For instance, pharmaceutical typically have captive storage due to stringent USFDA regulations. | • Under warehousing, players generally operate on asset light models.<br>• The capabilty of logistics players to pay rentals to warehousing developers is linked to realisation earned. The realisation are largely under pressure due to fragmented nature of industry.<br>• For cold chain, largely the land is taken on lease while the investment in P&M borne by players. However, the rentals scenario is similar to warehousing |

*Source: CRISIL Research*

The implementation of GST has set up an evolving phase for the logistics industry. As precursors of change, multimodal logistics parks will address the issues of unfavourable modal mix, inefficient fleet mix and an underdeveloped material handling infrastructure. Logistics parks are expected to help transition from the current situation of point-to-point freight movement to an ideal situation of hub and spoke model freight movement. Hence players are investing in logistics parks and warehouses, which enable consolidation across the country leading to improved utilisation and better returns.

**Regulatory scenario for multimodal logistics In India**

**Infrastructure status for logistics industry**

***Infrastructure status for logistics will broaden fundraising options and improve competitiveness***

The Indian government granted infrastructure status to the logistics sector in November 2017. As per a Press Information Bureau (PIB) release, logistics infrastructure is included through the addition of a new item in the renamed category, 'transport and logistics'. As a sub-segment under the harmonised master list of infrastructure sub-sectors, logistics infrastructure is defined as:

- Multimodal logistics park comprising ICD: Minimum investment of Rs 500 million and minimum area of 10 acres
- Cold chain facility: Minimum investment of Rs 150 million and minimum area of 20,000 sq ft
- Warehousing facility: Minimum investment of Rs 250 million and minimum area of 0.1 million sq ft

Inclusion in the infrastructure category will help the logistics sector avail of credit at competitive rates. Logistics players can raise funds with longer repayment terms and enhanced limits. They will also get access to a larger quantum of funds through external commercial borrowings and longer tenure funds through insurance companies and pension funds. They will also be eligible for loans through the India Infrastructure Financing Company Limited

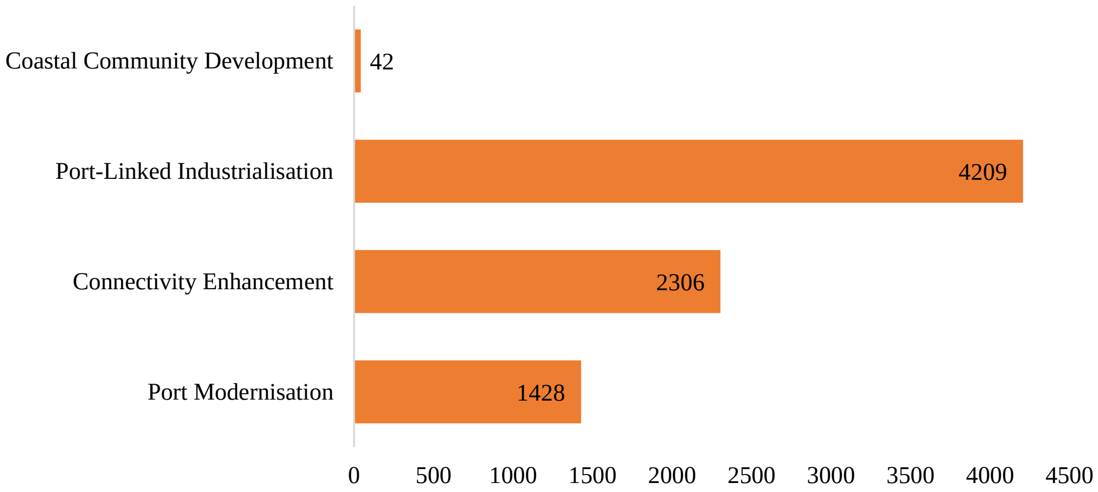
**Key government initiatives for logistics sector[8]**

**Sagarmala project still in nascent stages of execution**

[8] *Implications of Bharatmala and consolidation due to GST are covered in the following chapter*

Total investment planned by government in the Sagarmala programme till fiscal 2035 is close to Rs 8 trillion, in four key categories.

**Category-wise planned investment till 2035 in Sagarmala project (Rs Billion)**




*Source: Ministry of Shipping*

As of December 2017, projects worth about Rs 44 billion have been completed. Of these, major projects are expansion of Salaya–Mathura pipeline and Vishnupuram–Mellacheruvu railway line, each costing Rs 10 billion.

**Inland Waterways Act 2016 to augur well for inland water transport**

A major boost to Inland Waterways Transport (IWT) sector has been provided by the government through enactment of National Waterways Act, 2016, dated March 26, 2016. This Act repealed previous five national waterway Acts and further included new 106 inland waterways. Thus totalling 111 waterways declared as National Waterways which cover a total length of 20,375 km spread across 24 states in the country.

The 106 new waterways have been categorised into three sub-groups

| Category I: | Category II: | Category III: |
|---|---|---|
| • Eight most viable waterways, can be taken up for development in Phase-I.<br>• Consultancy assignments for preparing EPC tender documents contract and environmental studies for these waterways underway | • 46 waterways which are in coastal regions and have some tidal stretches<br>• As of January 2018, studies to prepare two-stage detailed project reports (DPR) (Stage I: Feasibility study, and based on viability, Stage II DPR study) on all the rivers have already been awarded | • 52 waterways which are in remote, inaccessible and hilly regions have been grouped in this category<br>• Field survey in 46 NWs have been completed and are in progress in 2 NWs. |

*Note: Data as of January 2018*
*Source: Ministry of Shipping, CRISIL Research*

**Spend on DFC gathers traction**

As part of the plan to boost freight share and revenues, spending on eastern and western dedicated freight corridors (DFC), on which work is underway, has seen a significant step-up of late. Total project cost for these two DFCs is estimated at Rs 815 billion. Over fiscals 2016-2021, investments to the tune of Rs 682 billion are anticipated in DFCs. Of this, during Fiscals 2016-2017, about Rs 184 billion has been expended leaving a spending opportunity for Rs 498 billion in fiscals 2018-2021. Land for DFC is to be provided by Indian Railways (IR) on lease. Part of the new track will be adjacent to the existing network and hence, not much additional land will be required.

**Delhi-Mumbai Industrial Corridor**

The Delhi-Mumbai leg of the Golden Quadrilateral National Highway runs almost parallel to the Western Freight Corridor. The proposed high-speed connectivity through the DFC project between Delhi and Mumbai offers immense opportunities for development of an industrial corridor along the connecting infrastructure. A band of 150-200 km (influence region) has been chosen on both the sides of the freight corridor to be developed as the Delhi-Mumbai Industrial Corridor (DMIC). The project influences parts of Uttar Pradesh, Haryana, Rajasthan, Gujarat, Maharashtra and Madhya Pradesh. DMIC implementation includes the development of Investment Region (IR) and Industrial Areas (IAs) identified at strategic locations. Together they are referred to as 'Special Investment Nodes'.

**Government providing boost to food parks as well**

To give a major boost to the food processing sector, Ministry of Food Processing Industries has launched Mega Food Parks Scheme in the country in the year 2008.

Under Mega Food Park scheme, the government provides a onetime capital grant of 50% of the project cost (excluding land cost) subject to a maximum of Rs 0.5 billion in general areas and 75% of the project cost (excluding land cost) subject to a ceiling of Rs 0.5 billion in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States.

As per PIB, as of 15th December 2017, Government has sanctioned 42 Mega Food Parks (MFPs) to be set up in the country under Mega Food Park Scheme. Out of these, 36 projects have been accorded Final Approval and another 2 projects have been accorded In-Principle Approval.

**Government envisages 35 multimodal logistics parks in the country**

As per a Press Information Bureau's (PIB) release dated July 20, 201q7, the Ministry of Road Transport and Highways (MoRTH) has proposed to develop 35 multimodal logistics parks (MMLP) in the country, to make freight transportation in the country more efficient by facilitating use of a favourable modal mix of transport, thereby reducing logistics costs and also pollution. These are being planned on the hub and spoke model to facilitate efficient movement of freight along routes of economic importance. The Multi Modal Logistics Parks are being planned as centres of freight aggregation with warehousing, cold storage and other such facilities.

Some of the key locations identified by the ministry are important consumption regions such as Delhi (NCR), Mumbai, Bangalore, and Chennai among others.

Proposed cost for developing these multimodal parks is estimated by the ministry at about Rs~329 billion; of this, development of allied infrastructure is estimated to account for 36%, followed by cost of land and storage development.

The states of Gujarat, Maharashtra and Punjab account for 5, 4 and 3 proposed MMLPs respectively, while states of Madhya Pradesh, Odisha, Haryana, Rajasthan, Kerala and Andhra Pradesh each account for 2 proposed MMLPs.

**Overview of Indian overseas and global trade**

**Economic overview**

**China dominates trade among GCC and sea economies**

Comparison of India with Gulf Cooperation Council (GCC) and South East Asia (SEA) economies

| Country | GDP (current) USD billion (est) | GDP Current 2018 Growth (P) | Agriculture (%) | Industry (%) | Services (%) | Total Trade (est) USD billion |
|---|---|---|---|---|---|---|
| **GCC countries** | | | | | | |
| Bahrain | 34 | 4.4% | 0.3 | 38.2 | 61.5 | 28 |
| Kuwait | 118 | 6.4% | 0.4 | 58.7 | 40.9 | 83 |
| Oman | 72 | 4.6% | 1.7 | 45.2 | 53 | 55 |
| Qatar | 166 | 8.7% | 0.2 | 50.3 | 49.5 | 83 |
| Saudi Arabia | 679 | 4.4% | 2.6 | 44.2 | 53.2 | 368 |
| United Arab Emirates | 379 | 5.9% | 0.9 | 49.8 | 49.2 | 556 |
| **SEA Countries** | | | | | | |
| Malaysia | 310 | 10% | 8.4 | 36.9 | 54.7 | 352 |
| Singapore | 306 | 3.6% | 0 | 26 | 74 | 706 |
| Vietnam | 216 | 8.7% | 15.9 | 32.7 | 41.3 | 385 |
| **China** | 11,938 | 9.9% | 8.2 | 39.5 | 52.2 | 3888 |
| **India** | 2,439 | 8.8% | 16.8 | 28.9 | 46.6 | 726 |

*Note: Data for 2017; GDP composition as per sector of origin - as on March 2018*
*Source: CIA, IMF*

As per the above mentioned estimates for 2017, India is the second largest economy in terms of both GDP and total trade, after China, among the GCC and SEA countries listed above.

**Rise in crude oil prices to increase trade for GCC economies in 2017**

The GCC is a regional economic union consisting of several Arab states from the Persian Gulf. Its member states are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. These countries form part of the oil exporters of the Middle East, North Africa, Afghanistan and Pakistan (MENAP) region, as classified by the IMF.

The key commodities exported by GCC countries are majorly related to energy, such as Liquefied Natural gas (LNG), petroleum and other refined products, crude oil etc. which account for 45-50% of the export.

**GCC countries adopt 15 reforms to improve business**

As per a World Bank report, GCC countries carried out a total of 15 reforms in 2017 to improve the region's business climate and competitiveness. Saudi Arabia led with six reforms, followed by the UAE with four, Kuwait and Qatar two each, and Oman one.

In fact, the report ranked Saudi Arabia among the top 20 reformers in the world, and the second best reformer among high income and G20 countries, as measured by improvement over distance to frontier.

**UAE**

Reforms in the UAE included strengthening construction quality control, thus earning it the highest possible score on the building quality control index. The emirate also improved access to credit information by starting to provide consumer credit scores to banks and financial institutions.

Following the reforms push, in the global ranking stakes for the ease of doing business, the UAE, in 21st place, is the top-ranked economy in the GCC, followed by Bahrain (66), Oman (71), Qatar (83), Saudi Arabia (92) and Kuwait (96).

Overall, the GCC performs well in the area of paying taxes. It takes 49 hours to pay taxes on average in the region, compared with ~ 160 hours in the OECD high-income economies and 240 hours globally. In fact, the world's fastest economies, in terms of paying taxes, are all GCC states – the UAE, Bahrain, Qatar and Saudi Arabia.

The agglomeration, though, underperforms in the area of starting a business. It takes 15 days to register a new business, compared with 8.5 days in OECD high-income economies.

**India's trade as a % of GDP to improve in fiscal 2018**

In fiscal 2017, India's trade accounted for ~29% of nominal GDP. During fiscal 2012 to 2017, exports grew at a faster pace of 5% CAGR compared with 2% CAGR for imports, in rupee terms. This was mainly because of decline in crude oil prices, which forms a major portion of imports for the country. Even in dollar terms, exports for India declined at 2% CAGR whereas imports fell at 5% CAGR.

Key non-fuel related commodities traded by India (in value terms)

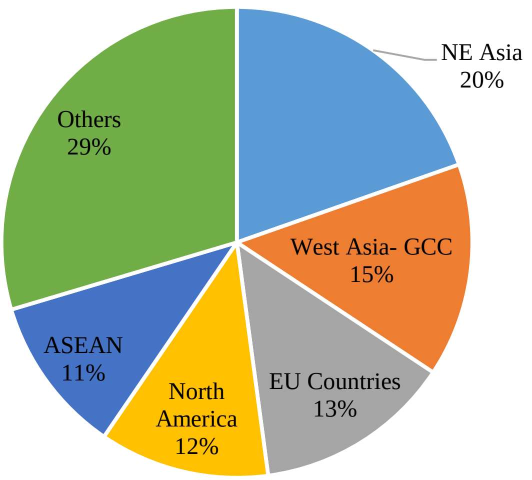
| Trade lane | Type | Key commodities |
|---|---|---|
| **India - World** | **Import** | **precious & semi-precious metals and stones, Electrical and Electronic machinery** |
| **India - World** | **Export** | **precious & semi-precious metals and stones, Boilers and other heavy machinery, mechanical appliances** |

*As of 2016 Latest available data as per UN Comptrade database*
*Source: United Nations, CRISIL Research*

In 2016, Indian trade accounted for ~2% of global trade. In terms of geographies, Northeast Asia dominated India's trade with 20%, followed by West Asia–GCC with 15% share in fiscal 2017. Other key regions include the EU, North America and ASEAN, respectively.

Even among these top five regions, trade with ASEAN, Northeast Asia and West Asia–GCC is dominated by imports.

**Region-wise split for trade of India**

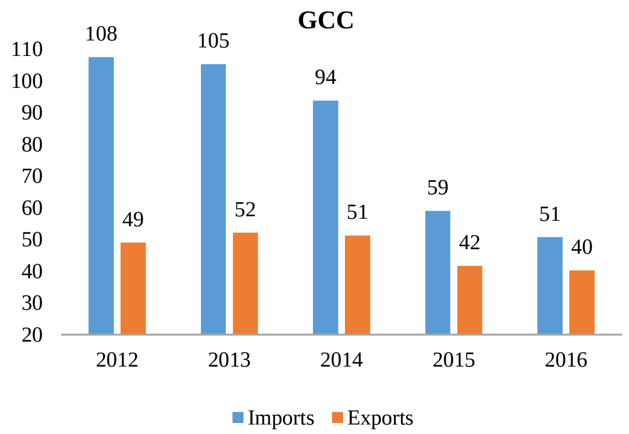


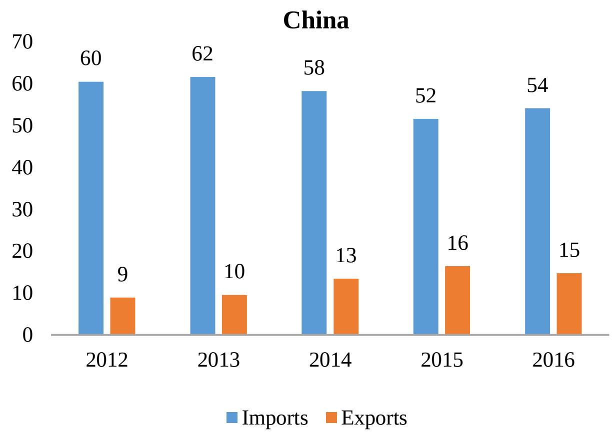

*Note: As per fiscal 2017.*
*Source: Ministry of Commerce, CRISIL Research*

**Indian trade with GCC, China and ASEAN[9] largely dominated by imports**

In terms of total trade, GCC, China and major ASEAN countries accounted for 35% share for India in dollar terms in 2016. India's trade with these countries is highly dominated by imports (accounted for 63% in 2016).

**India's trade with GCC, China and ASEAN**




*Note: All units in $ billion.*
*Latest available data as per UN Comptrade database*
*Source: United Nations, CRISIL Research*

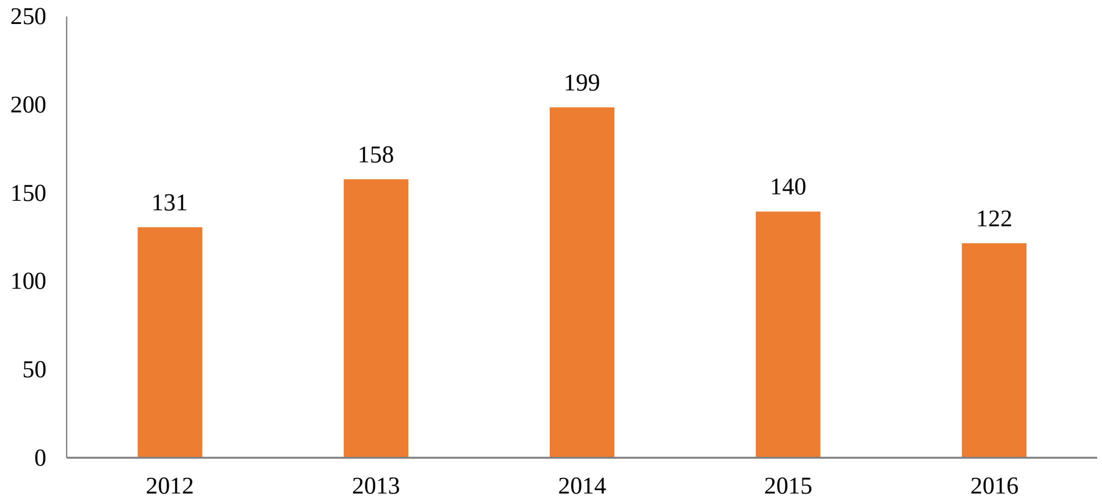

[9] *Only top six countries in terms of nominal GDP as of 2016 were considered*

*Note: All units in $ billion.*
*Latest available data as per UN Comptrade database*
*Source: United Nations, CRISIL Research*

**Trade between GCC - China and ASEAN[10] to recover in 2017**

As of 2016, the trade between GCC and China and ASEAN countries was $122 billion. Of this, trade between GCC – China dominated, with 61% share.

**Trade between GCC – China and ASEAN**




*All units are $ billion*
*Latest available data as per UN Comptrade database*
*Source: United Nations, CRISIL Research*

Trade between GCC – China and ASEAN countries is dominated by crude oil and its derivatives, by value. Apart from crude oil, other key commodities are electrical and electronic equipment, boilers and other heavy machinery, plastic products, vehicles and transport equipment, precious and semi-precious metals and stones, among others.

**Container trade**

**Global container trade improved in 2016 and 2017**

As per UNCTAD, global container trade increased at a 3.1% on year in calendar 2016 to reach at an estimated 140 million TEU, which is faster than 1.2% on year growth observed in calendar 2015. As per UNCTAD, estimated growth in calendar 2017, is expected to remain at 4.5% on year. Forecast of containerised trade for calendar 2017 to 2022 is also positive, at a CAGR of 5%. Cargo growth will be driven by infrastructure initiatives across Asia, leading to increased Chinese machinery and finished goods exports.

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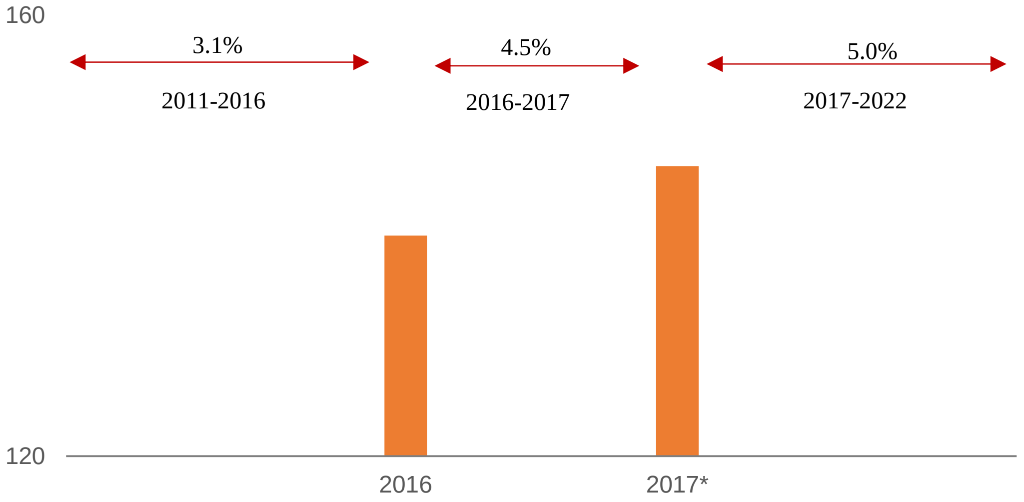
*[10] Only top six countries in terms of nominal GDP as of 2016 were considered*

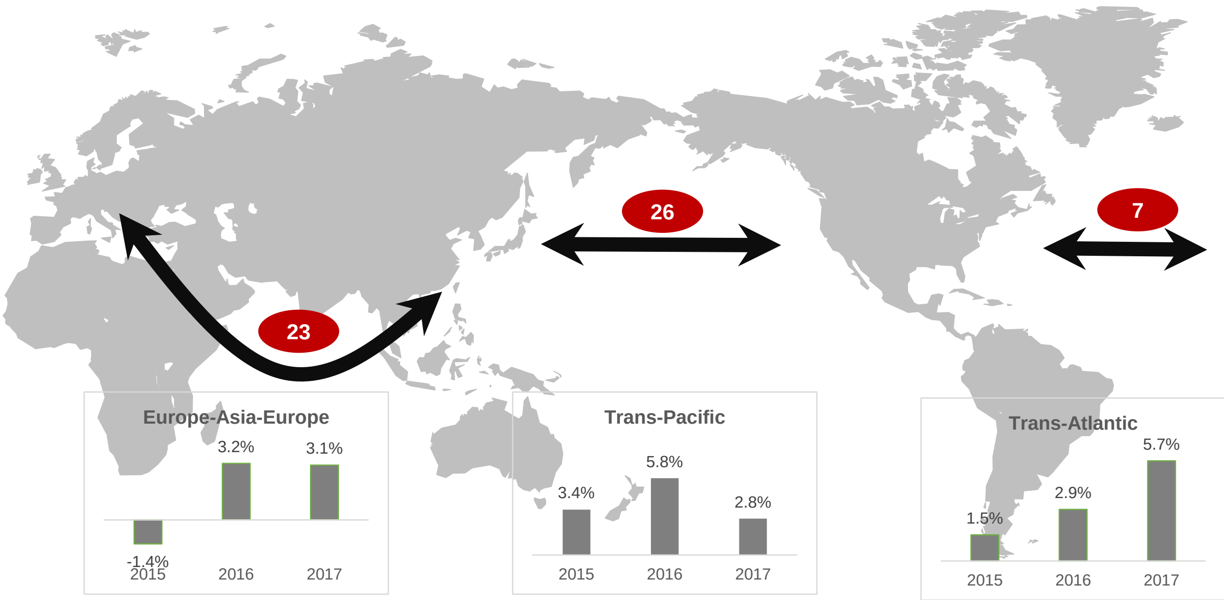
**Global container trade (million TEU)**




*Note: *Estimated figures for 2017*
*% represent CAGR for the indicated periods*
*Source: UNCTAD*

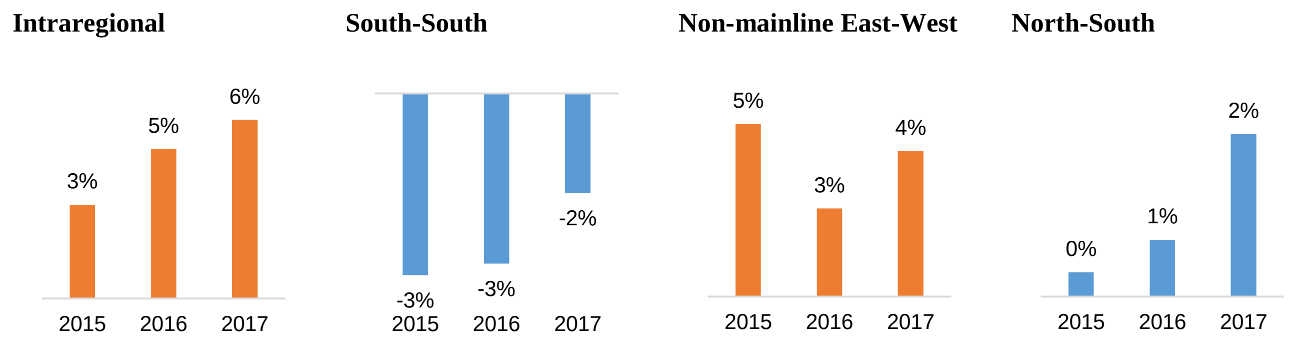
Stronger growth in calendar 2016 was led by volume growth in Asia-Europe trade, and supported by intra-Asian cargo flows and positive trans-pacific trade. Also, as per UNCTAD, growth in calendar 2017 is expected to be led by North America-Eastern Asia Westbound route and Asia-Europe Eastbound route, along with non-mainline intraregional trade (commanded by intra-Asia trade). Intra-Asian trade is rapidly expanding due to movement of intermediate goods and value chains, involving China and its neighbours.

**Container trade growth, mainline routes (East-West)**



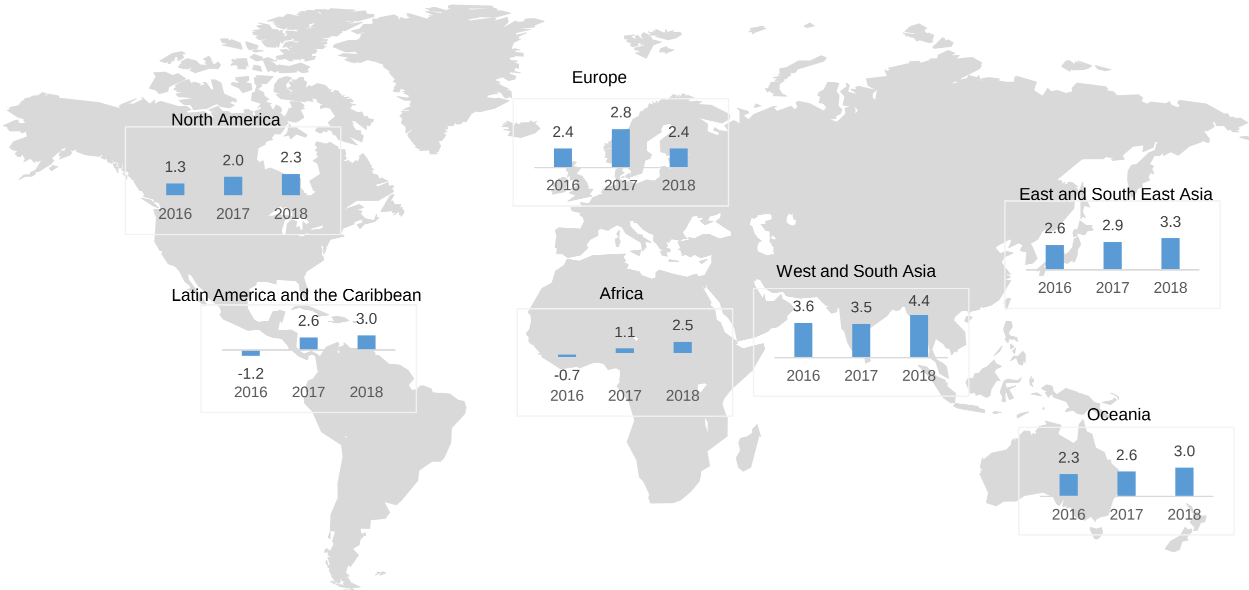

*Note: 1. Boxes represent estimated container trade for calendar 2017*
*2. % represent on year growth 2015, 2016 and 2017, estimated figures for 2017*
*Source: UNCTAD, CRISIL Research*

**Container trade growth, non-mainline routes**




*Source: UNCTAD, CRISIL Research*
*Non mainline East-West: Middle East and Indian subcontinent with Europe, the Far East and North America*
*North-South: Trade between regions of the southern hemisphere (Latin America, Oceania and sub-Saharan Africa) and those of the northern hemisphere (Europe, the Far East and North America)*
*Intraregional: Mainly intra-Asian (trade between Asian countries, not including the Indian subcontinent*
*South–South: Trade between regions of the southern hemisphere.*

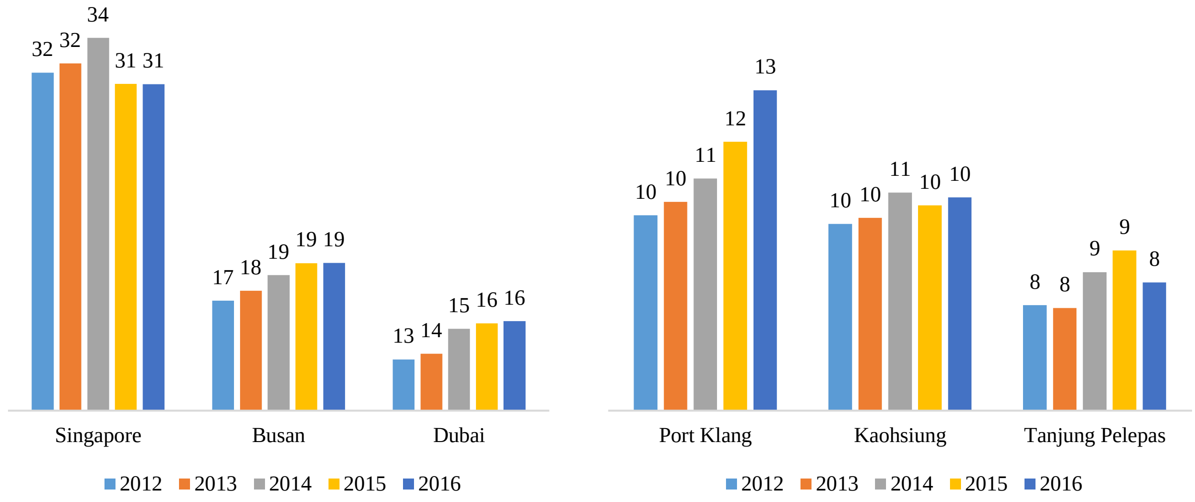
**Container port traffic – Projections (Region wise, %)**




*Note: 1. Graphs represent % growth of port traffic across regions*
*2. 2017 and 2018 are projected figures*
*Source: UNCTAD, CRISIL Research*

China dominates in the top global container ports. As per UNCTAD, in calendar year 2016, 7 out of top 10 container ports are located in China. Singapore, Busan and Dubai (Jebel Ali) are non-Chinese ports in top 10 container handling ports. Also, as per UNCTAD, transshipment incidence was estimated at 26%, in calendar year 2016, for global port volumes. Key ports in Asia, with high transshipment incidence, are Singapore, Port Kelang, Tanjung Pelepas, Colombo and Jebel Ali.

**Container volumes at a few ports in GCC and SEA countries**




*Units are in million TEUs*
*Source: Indian Ports Association, CRISIL Research*

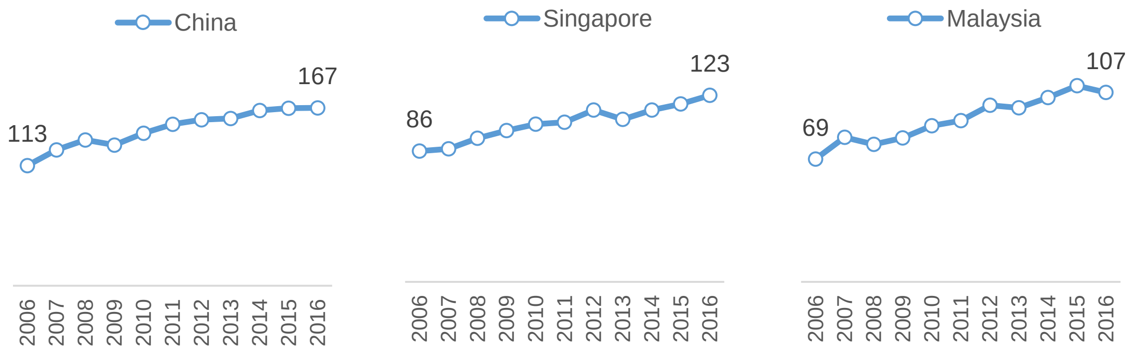
**Container logistics – GCC and SEA countries**

***South East Asian countries have a better connectivity with shipping lines***

As assessed through UNCTAD's Liner Shipping Connectivity Index (LSCI)[11], which captures how well a country is connected to global shipping networks, South East Asian countries have better LSCI score as compared to GCC countries and India. China is the leader in liner shipping connectivity, with a score of 167 in calendar 2016. Scores of other South East Asian countries also fare well, vis-à-vis GCC and India.

In case of Arabian Peninsula, UAE has maintained the highest connectivity index, due to its hub port in Dubai (Jebel Ali). The geographic position helps in linking East-West services between Europe and Asia to North-South and feeder services that connect ports to Africa and South Asia. Scores for other countries are lower due to lack of direct connectivity services.

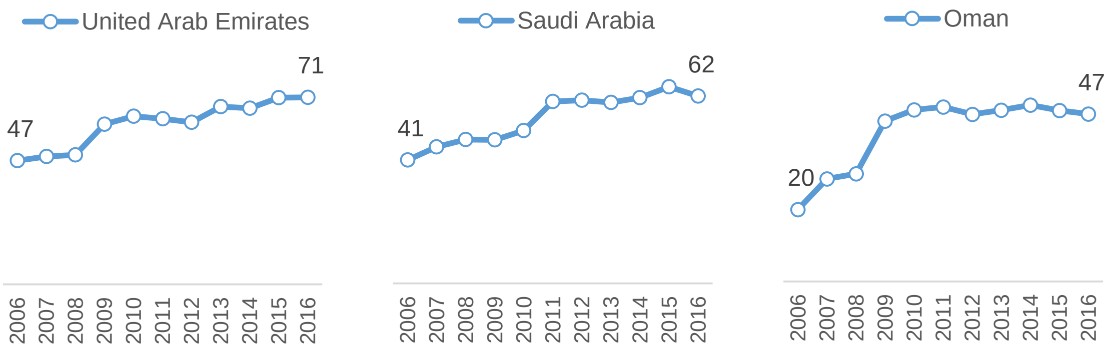
**Liner Shipping Connectivity Index: South East Asian countries**




*Source: UNCTAD*

[11] *As per definition available on World Bank website, LSCI is calculated through five components, which are, number of ships, their container carrying capacity, maximum vessel size, number of services, and number of companies that deploy container ships in a country's ports.*

**Liner Shipping Connectivity Index: Arabian gulf countries**



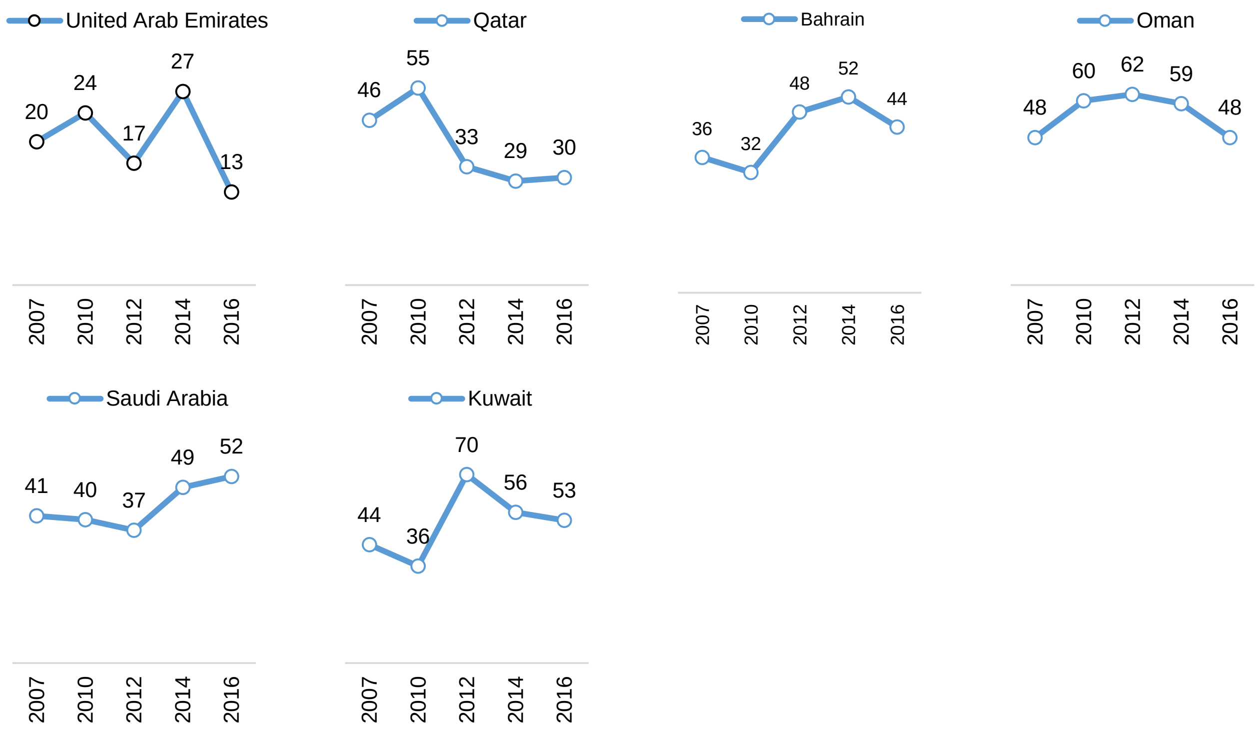

*Source: UNCTAD*

**UAE has improved logistics performance in 2016, as assessed through World Bank – Logistics Performance Index (LPI)**

Logistics Performance Index (LPI) report of World Bank measures logistics performance of countries on key logistics indicators as efficiency of customs, quality of trade and transport infrastructure, ease of arranging competitively priced shipments, logistics services quality, tracking and traceability; and timeliness of shipments. Overall rank as well as ranks across parameters are also provided to different countries.

Analysis of LPI reports for GCC countries indicates that overall ranks of GCC countries have improved across the years, except Saudi Arabia and Kuwait, whose ranks have dropped, during calendar year 2007 and 2016. Highest improvement has been shown by UAE, whose rank improved from 20th in calendar year 2007 to 13th in calendar year 2016.

**Gulf countries: World Bank – Logistics Performance Indicator (LPI) Ranks**

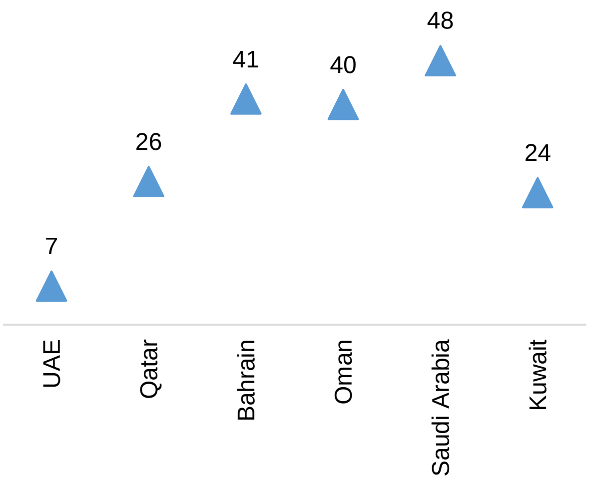



*Source: World Bank, Logistics Performance Index (LPI) Report*

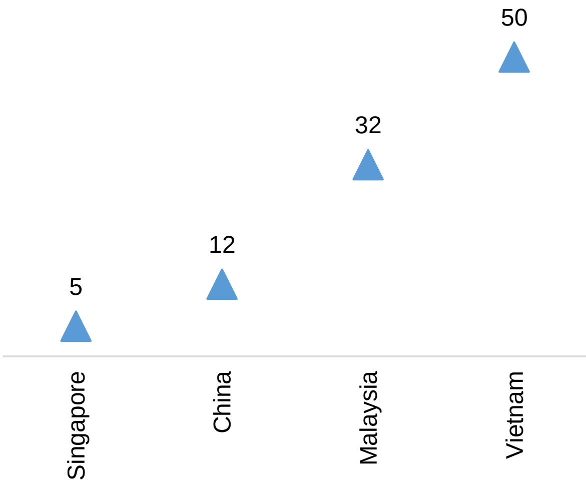
**UAE ranks even better on international shipment parameter of World Bank – LPI report**

International shipment facet of LPI report tracks the ease of arranging competitively priced international shipments. UAE was ranked 7th globally as 2016 LPI report of World Bank. UAE ranked best among gulf countries and was steadily poised against South Asian countries, where Singapore was ranked 5th and China stood at 12th position globally.

**LPI – International shipments rank, GCC countries**




**LPI – International shipments rank, SEA countries**

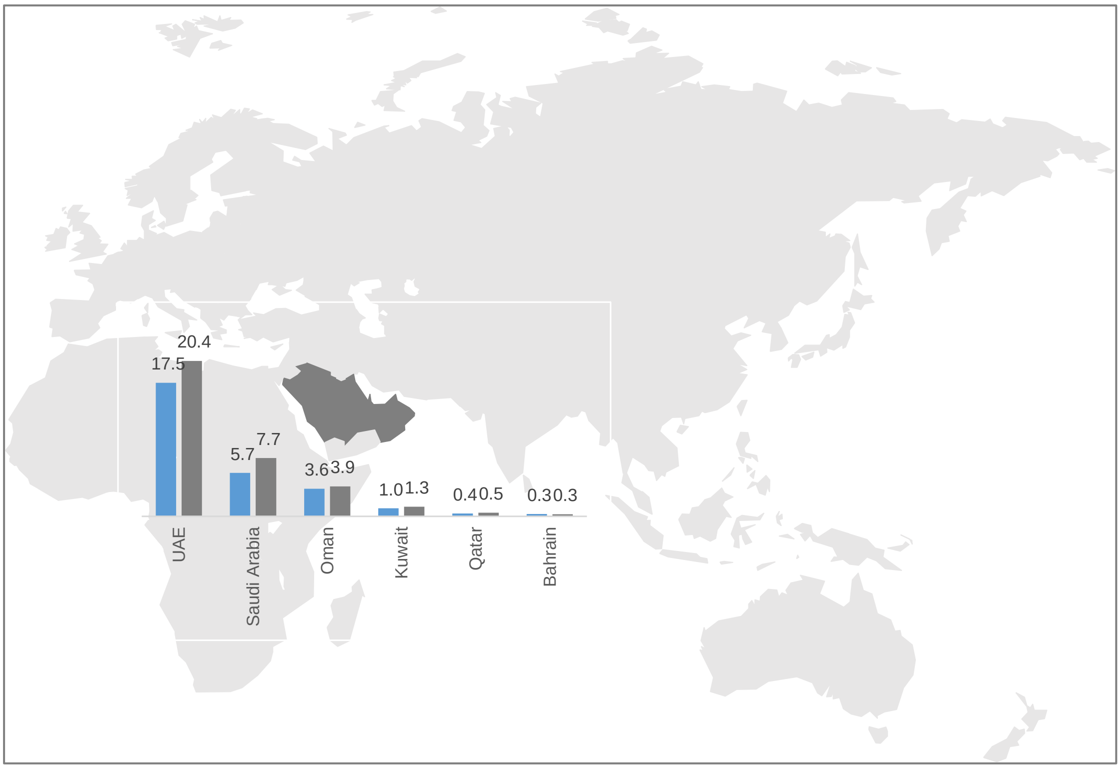



Source: World Bank, Logistics Performance Index (LPI) Report

**UAE is the leader among GCC countries in terms of container traffic**

Container port traffic at GCC countries stood at ~34 million TEU in calendar 2016, representing ~5% of world container port traffic. During calendar 2011 and 2016, traffic at GCC countries grew a CAGR of 3.6%, which is, roughly in line with global container port traffic, which also grew with 3.6% CAGR during the same period. Among GCC countries, UAE has the highest container port traffic, followed by Saudi Arabia. In calendar 2016, UAE handled 20.4 million TEU, which accounts for ~60% container port traffic for GCC countries, while Saudi Arabia handled 7.7 million TEUs.

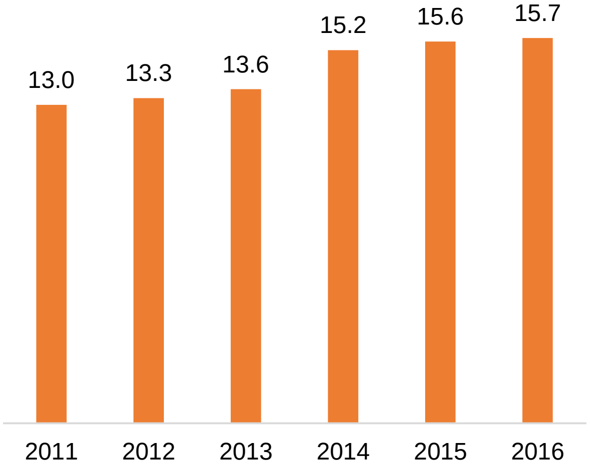
**Port traffic in GCC countries**




*Figures in million TEUs*
*Figures for calendar 2011 and 2016*
*Source: UNCTAD, IPA, Industry, CRISIL Research*

Jebel Ali is the largest port, in terms container port traffic, for GCC region. As per IPA, Jebel Ali handled 15.7 million TEU in calendar 2016 and ranked 9th in terms of container port traffic. Jebel Ali acts as a transshipment port for other countries of GCC, apart from handling direct traffic. Also, as per IPA data, container port traffic at Jebel Ali increased from 13.0 million TEU to 15.7 million TEU, between calendar 2011 and 2016, growing at a CAGR of 3.8%. Key challenges for Jebel Ali are dependence on transshipment volumes as well as the competition from other ports in West Asia as Bander Abbas in Iran, Karachi in Pakistan.

**Container port traffic – Jebel Ali (million TEU)**




*Source: UNCTAD*

**Indian container trade, India – GCC, India – SEA lanes**

**China dominates ocean container trade with India**

According to IPA, the total container movement at Indian ports stood at ~13.1 million TEUs. In the total container movement, laden EXIM containers are estimated to be in the range of 8.5-10.0 million TEUs.

Key countries for containerised trade include China, followed by the United States of America and the United Arab Emirates, which account for 25-30% of the total container trade.

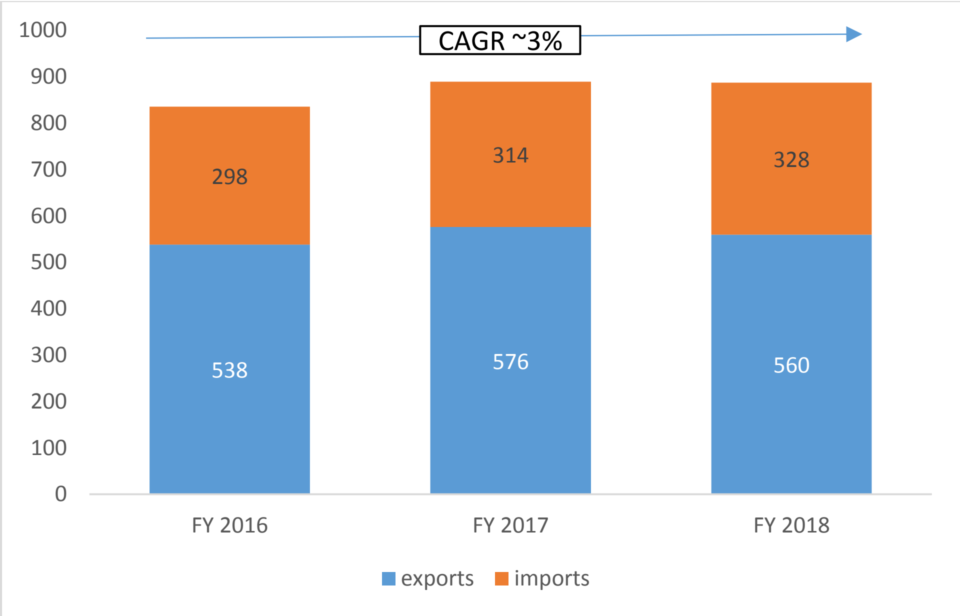
**GCC and SEA countries account for ~30% of the total container trade with India**

In terms of regions, containerised trade with GCC and SEA countries accounts for 30-32%. However, the share of GCC and SEA countries in reefer containers is estimated to be higher at 40-50% in terms of volume due to the high amount of perishable cargo.

Among these regions, while exports form a major part of containerised trade with GCC, imports dominate containerised trade with SEA countries.

This is mainly due to the nature of commodities exported/imported for these regions. CRISIL Research estimates reefer container exports to GCC and SEA regions dominate compared to imports, due to significant export of Food products which are perishable in nature.

**Growth in container trade for the India-GCC lane (000 TEUs)**



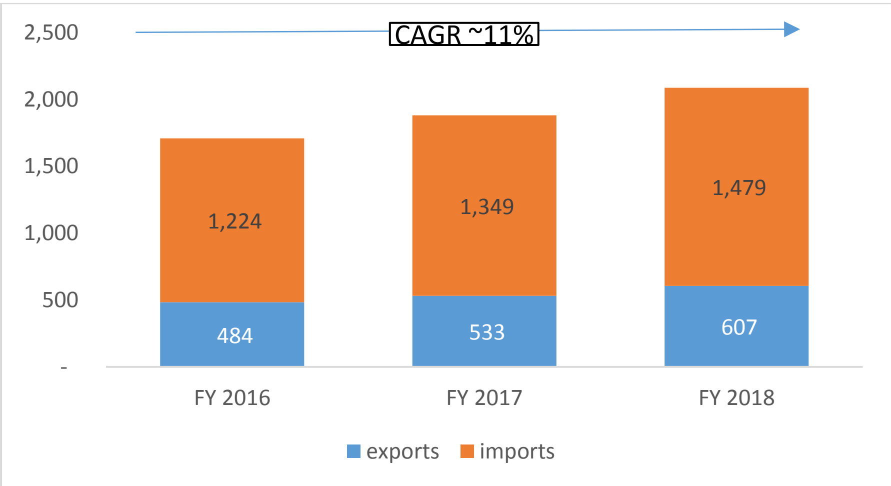

*Source: RITASS, CRISIL Research*

**Key commodities in containerised trade between India and SEA[12] countries (in volume terms)**

| Trade lane | Type | Key commodities | Share in trade |
|---|---|---|---|
| India - SEA | Import | Machinery, chemicals, electrical and electronic goods | 30-35% |
| India – SEA | Export | Food products (fruits, vegetables, rice, etc.), meat (fish, buffalo meat etc.) and textile and related products | 35-40% |

*Source: RITASS, CRISIL Research*

**Growth in container trade for the India-SEA lane (000 TEUs)**




*Source: RITASS, CRISIL Research*

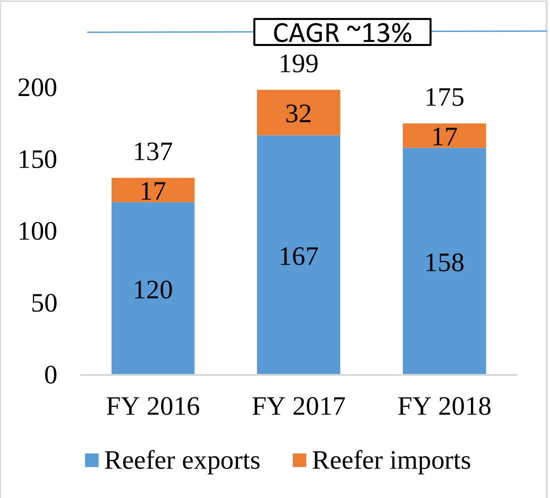
**Share of reefers container is higher between India - GCC & SEA region compared to others**

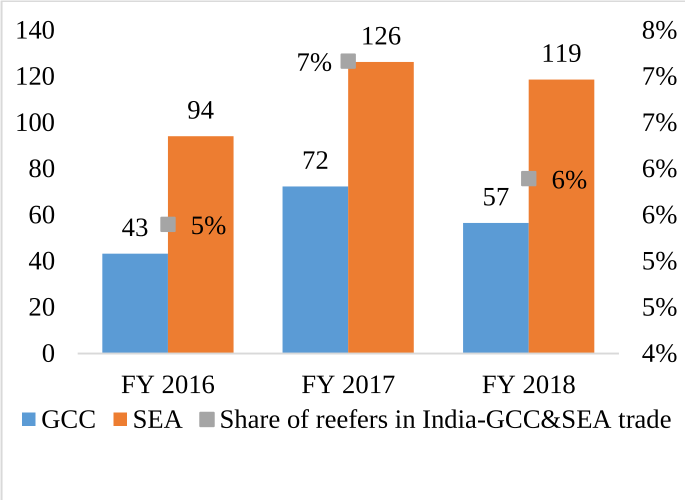
While, share of India's reefer container trade in total containers stands at 4-5%, it is a little higher at 5-10% for GCC and SEA countries due to export of a large number of food products which are perishable in nature.

Moreover, reciprocating the demand from end-user industries, CRISIL Research expects the share of reefer exports to dominate.

[12] *Includes Singapore, Malaysia, China, and Vietnam only*

**Reefer container trade with GCC and SEA countries (000 TEUs)**




*Source: RITASS, CRISIL Research*

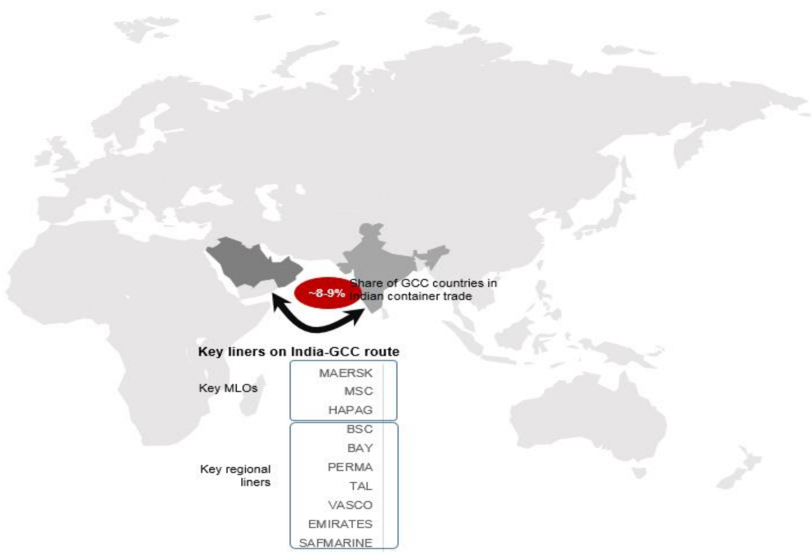
**Competitive profile, India-GCC and India-SEA routes**

**Regional liners have a significant presence on India-GCC route**

GCC region is a key trade partner of India, with India-GCC container trade accounting to ~10% of India's EXIM laden container trade. Jebel Ali is a key port for India, in the region, connected through direct (Middle East – Indian sub-continent route) well as feeder services. In fiscal 2017, cargo transhipped through Indian major ports was ~89,000 TEU.

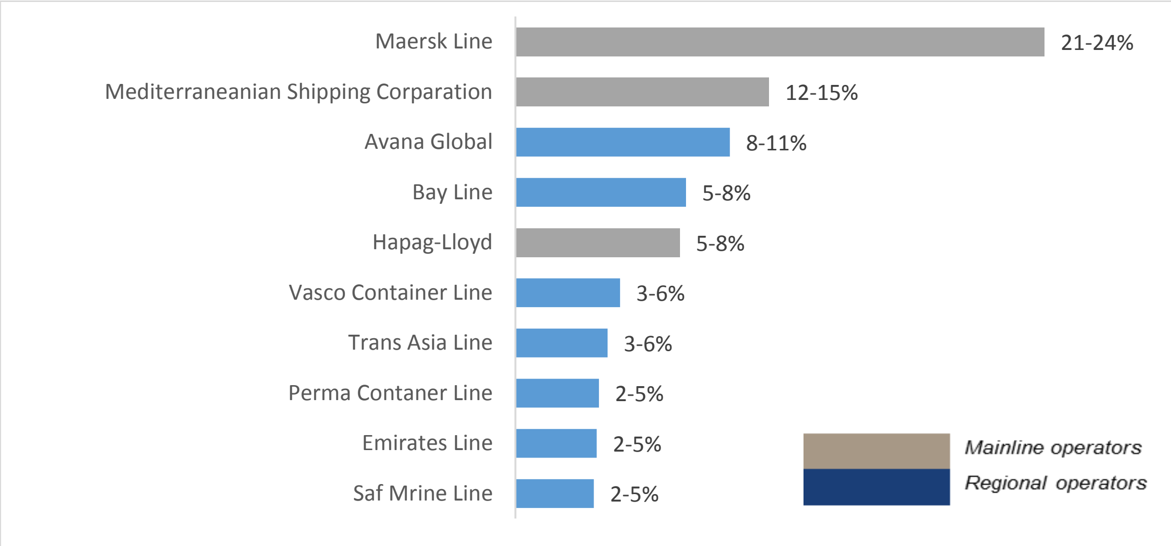
Key regional liners such Avana Global FZCO, Bay Line, Perma Shipping, etc. have a significant presence on GCC ports.

Representation: India – GCC container trade




*Source: RITASS, CRISIL Research*

**Market share of players in India – GCC container trade (Fiscal 2018)**




*Source: Industry, CRISIL Research*
*Note: Shares are for laden containers*

**Key strengths and weakness – Regional liners/consolidators and mainline operators**

| Particulars | MLOs, MLO affiliated companies and Global MNCs | Regional liner operators/ consolidators |
|---|---|---|
| Liners/Consolidators | CMA CGM<br><br>Maersk<br><br>MSC | Indian:<br><br>Allcargo, Avana Global FZCO, Caravel Lines, Maxicon Container Line, Trans Asia Liners<br><br>Others:<br><br>Bayline, Perma Shipping, Simatech Shipping, |
| Strengths | • Negotiating leverage due to mainline operations<br><br>• Global network<br><br>• Steady service to global MNCs<br><br>• Proficiency in specialised sectors and routes<br><br>• Vast network of owned offices | • Relationships with smaller/medium scale enterprises<br><br>• Understanding of local business<br><br>• Scale on select trade lanes, as India-GCC, leading in bargaining power with mainline operators<br><br>• Direct services on non-mainline routes |
| Weakness | • Lower alignment with small and medium scale businesses<br><br>• Dependence on nomination and agency services | • Strong competition from global players for larger accounts particularly |

Key regional liners which provide regular services on these routes are:

- Avana Global FZCO, subsidiary of Avana Logistek Limited. As per its official website accessed in April 2018, Avana Global is the regional liner/consolidator arm of Transworld group. As per Avana Global's website, it has offices at more than 40 ports spanning Indian Subcontinent, Middle East, CIS, South East Asia and Far East. Key services provided at ports by Avana Global FZCO are indicated below.

| Indian sub-continent | Middle East | South East and Far East |
|---|---|---|
| Mundra | Jebel Ali | Hong Kong |

| Indian sub-continent | Middle East | South East and Far East |
|---|---|---|
| Hazira<br>JNPT<br>Colombo<br>Karachi | Mina Khalifa<br>Hamad<br>Sohar<br>Khor Fakkan | Qingdao (China)<br>Gwangyang (Korea)<br>Pusan (Korea)<br>Ningbo (China)<br>Shekou (China)<br>Singapore<br>Port Kelang |

*Source: AVANA GLOBAL Website, CRISIL Research*

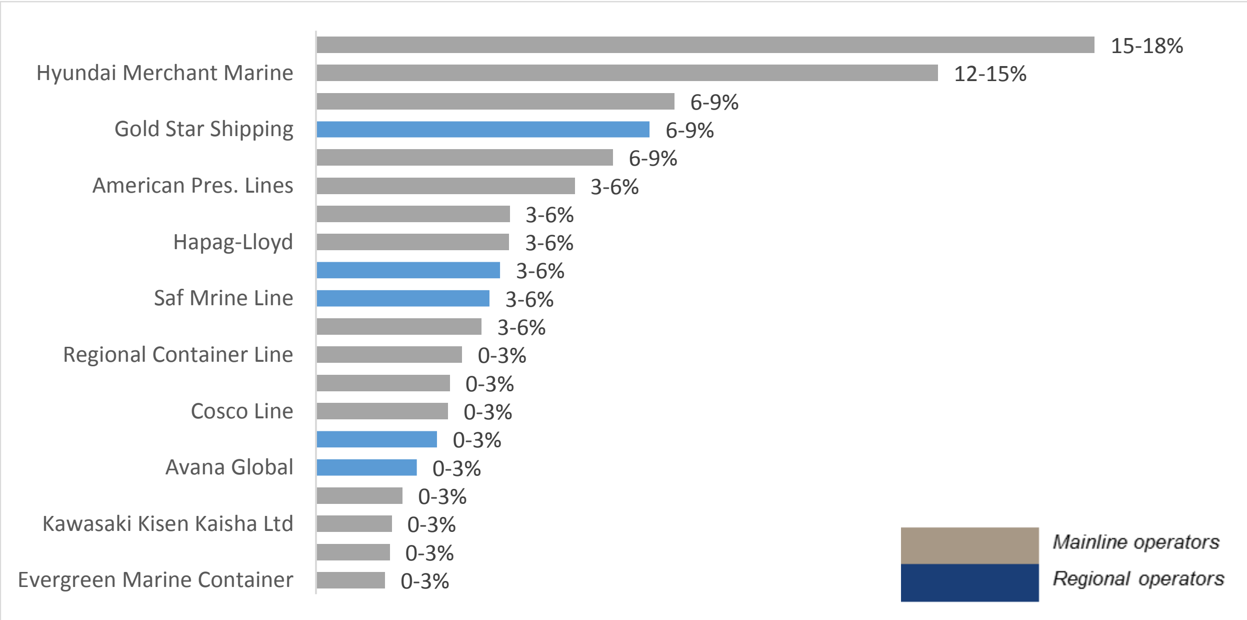
- Maxicon Singapore (subsidiary of Seaways Shipping and Logistics): Seaways Shipping and Logistics is multi-modal logistics service provider incorporated in 1989. It has presence in NVOCC, freight forwarding, bulk cargo handling, offshore logistics services, turnkey and integrated logistics solutions, and free trade warehousing zones. The company operates its NVOCC operations through Maxicon Container Line, incorporated in Singapore.

  As per the company's website, it has a presence in India across 26 cities along with six offices across the world – three in Southeast Asia and the Far East, two in GCC and one in the US. Moreover, the company has 11 subsidiaries across the world that offer container transportation services.

- Perma Shipping Line, It is a Singapore-registered shipping company that commenced operations in 2000. It has more than 20 offices spread across Southeast Asia, the Indian sub-continent and the Middle East. The company operates shipping vessels and has tie-ups with consolidators for cargo shipments. As per the company's website it has services from ~14 ports in Southeast Asia and the Far East, 10 ports in GCC, seven ports in India, and one port each in Pakistan, Bangladesh and Sri Lanka.

- Simatech Shipping: Simatech Shipping Line is a Gulf-based shipping company, incorporated in 1992. As per company's website has more than 50 offices spread across the world. It offers services from 37 ports – 13 ports in GCC, 10 ports in India, eight ports in Southeast Asia and Far East, 2 ports in Somalia and 1 each in Pakistan, Iraq, Sri Lanka and Bangladesh.

**Market share of players in India – SEA container trade**




*Source: RITASS, CRISIL Research*
*Note: Shares are for laden containers*

**WTO's World Trade Outlook Indicator hints global trade growth to remain above trend**

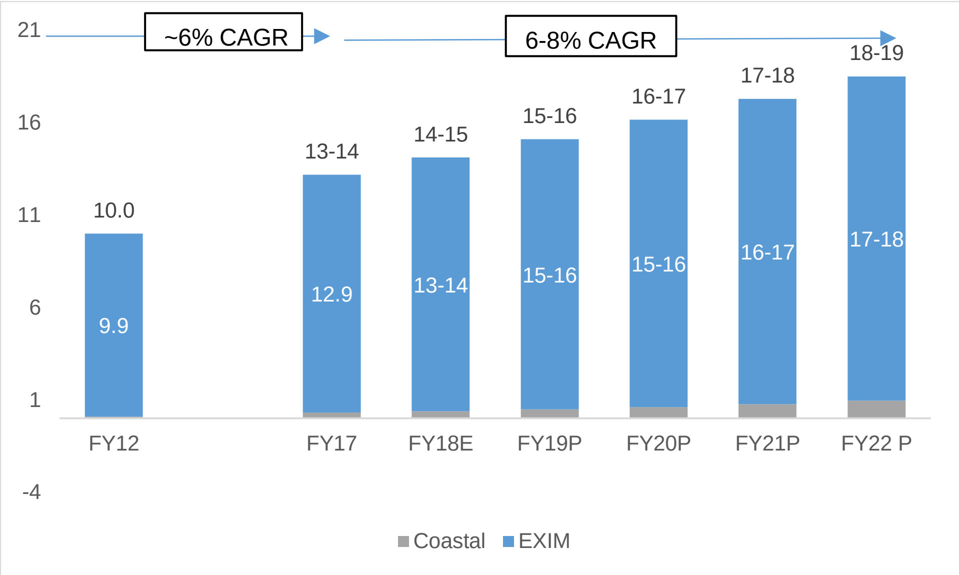
As per WTO's World Trade Outlook Indicator (WTOI) of February 2018, there is hardly any change in the indicator value (102.3) compared with the previous reading (102.2), indicating sustained trade volume growth in first quarter of calendar 2018, following an expansion in calendar 2017.

**Indian container traffic to grow at 6-8% till fiscal 2022**

Container traffic (in TEU terms) at major ports is estimated to have increased by a dismal 3% in fiscal 2017. Traffic growth at JNPT, the largest major port for container traffic, remained flattish, as evacuation constraints continued to hamper traffic growth. In contrast, the traffic handled by APSEZ, the largest non-major port operator for container traffic, grew 28% at their Mundra and Hazira terminals combined. The slow growth in container traffic at major ports is attributable to congestion in ports such as those at JNPT and Chennai, which account for 70-75 % of the total container traffic at major ports.

Export growth is slowly recovering from Goods and Service Tax (GST)-related disruptions, and is expected to move in line with strengthening global growth in the short term. Import growth is likely to be higher due to growth in domestic consumption demand. In the long term, EXIM container traffic is expected to grow at 6-8%, mirroring broad-based recovery in the world economy. Push to manufacturing, focus on export-led growth, rising levels of containerisation, and supply push through incremental container capacities at JNPT and Mundra, among others, are expected to drive container growth.

**Indian container traffic (million TEU) – Outlook**




*Note: Outlook for overall container volumes (i.e. laden and empties)*
*For coastal containers, load and unload volumes are addedSource: Industry, IPA, Company reports, CRISIL Research*

**Trade at India-GCC and India-SEA lanes to remain resilient**

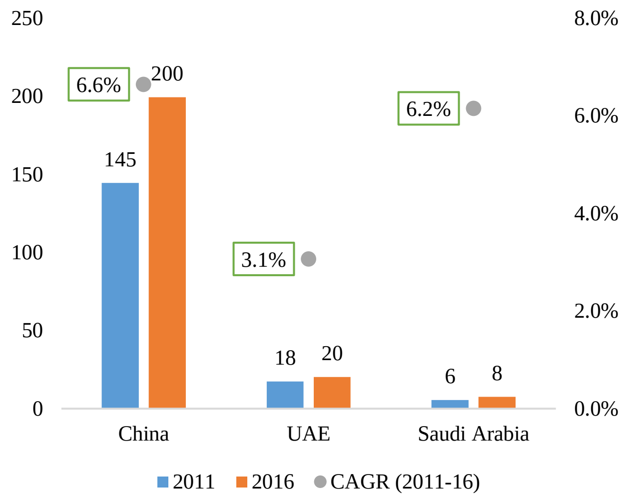
As per World Bank's LPI report, over LPI score of UAE has increased in recent years, while its rank in terms of international shipments has been markedly better than its peers in gulf. Geographical location of GCC countries is also an advantage for their trade prospects.

Container traffic in key GCC and SEA countries, has somewhat grown in line with GDP growth.

The Share of GCC countries in India's container trade has been 8-9 % during fiscal 2016-2018 as India-GCC container trade grew at a CAGR of 3%, whereas the share of SEA countries has been slightly in the range of 18-20% due to better CAGR of 11% during the above period.

Going forward, the share of GCC countries is expected to be range bound at 8-10% with Frozen foods and Agro-products being some of the key traded commodities. The share of SEA nations too is expected to be resilient with electrical/electronic goods and Chemicals being the key traded commodities.

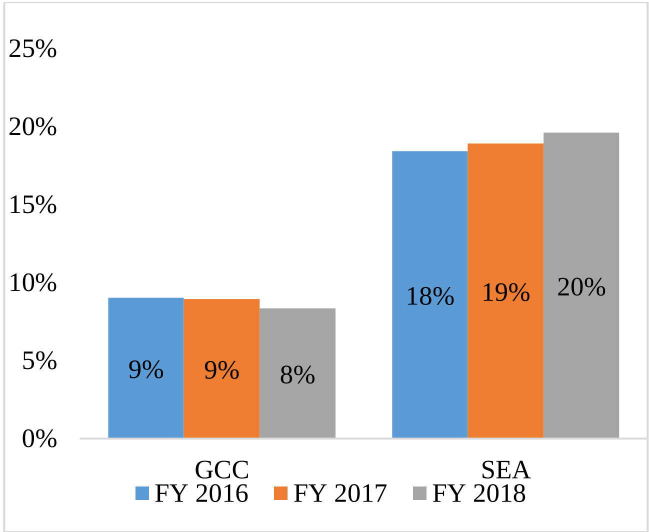
**Container traffic growth in China, the UAE and Saudi Arabia (million TEU)**




Source: World Bank

Units: million TEUs

**Share of GCC and SEA countries in Indian containers traffic**




*Only laden containers are considered.*

*Source: RITASS, CRISIL Research*

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 14 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" beginning on page 15 for a discussion of certain factors that may affect our business, financial condition or results of operations.*

### Overview

We are a leading integrated logistics solutions provider, offering customized and end-to-end solutions to domestic and international markets. We offer a broad spectrum of strategic and operational logistics support services to domestic and international geographical markets through our seamless, energy efficient and "environment friendly" logistics solutions. Our technology-enabled, "asset-light" business model allows scalability to our services as well as our robust streamlined business and operational processes enable us to offer efficient and customized logistics solutions to our customers.

According to the CRISIL Report, we are a leading logistics solutions company with operations across India and various international markets. We are the leading providers of regional liner services between India and the Middle East and the largest domestic coastal logistics solutions provider with a market share of approximately 52%, according to the CRISIL Report.

We have structured our primary business into two business divisions comprising domestic and international logistics solutions. Our domestic solutions primarily comprises of coastal container service and road and rail transportation. Our international solutions comprises international liner services consisting of refrigerated and dry cargo movements between Indian sub-continent, Middle East, South-East Asia and Far-East along with freight forwarding and liner agency services.

Our connectivity between the eastern coast and western coast of India ensures integrated coverage which our customers can utilize to manage cost, time and productivity efficiencies. We offer smarter logistics support to remote areas for the movement of ISO tanks, reefer boxes and project cargo within India through road and costal movement. We believe that our end-to-end solutions offering also offers cost advantages for our customers. We use specialized type of container seals for specific cargos which ensures higher security locking for containers. Further, we have a dedicated team of people with relevant industry experience ensuring close monitoring and safety of our cargos. We have specialized car racks which can be used to carry automobiles in containers. We have also started providing warehousing and distribution services and cold chain (temperature controlled warehousing and transportation services).

During Fiscal 2018, we have provided services to over 8,000 customers in our domestic business division and over 15,000 customers in our international business division. Certain of our key customers include The Ramco Cements Limited, NITCO Limited, Grasim Industries Limited, JSW Steel Coated Products Limited, Star Bentonite Exports, Century Plyboards (I) Limited, KAG India Private Limited, EICL Limited, Arvind Ceramics Private Limited, Petrochem Middle East, Tilda International DMCC, Saint-Gobain India Private Limited, Pushpak Logistics Solutions LLP, Al Danube, JK White Cement Works (Unit of J.K. Cement Limited), Ultra Tech Cement Limited (Unit Birla White), Landmark Group and Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.P.J.S.C.

Our logistics business serves a broad range of industries, including construction material, agricultural products, hazardous and non-hazardous chemicals, food products and beverages, machinery and equipment, minerals, electronics, pharmaceutical, petro chemical products, automobiles and fertilizers.

As of March 31, 2018, we have a fleet of 42,068 TEUs which includes various types of 20Ft and 40Ft containers including dry, high cube dry, open-top, flat rack, foldable, ISO tank and refrigerated containers, on ownership and lease basis. Our domestic and international logistics division handled 121,350 and 139,427 TEUs respectively during Fiscal 2018, 90,713 and 103,365 TEUs respectively during Fiscal 2017 and 63,318 and 98,425 TEUs during Fiscal 2016. We believe a wide variety of containers helps serve diverse need of our customers.

We have an asset light business model and we have long standing relationships with a large number of international and domestic leasing companies business partners such as Seaco Global Limited, Tristar Container Services (Asia) Private Limited, CAI International, Inc and Subsidiaries, VS&B Domestic Container Solutions Private Limited, who provide us operating assets, including deployment of containers.

Avana Logistek pioneered the business of coastal container service by commencing operations in 2005. Subsequently, Avana Logistek engaged in domestic first mile and last mile solutions and road transportation in 2008. To meet its customers' expanding domestic and international logistics needs, Avana Logistek expanded its geographical reach in 2017 by acquiring, Balaji Shipping Lines FZCO (now known as Avana Global FZCO) from Transworld Holdings, our Promoter. With this acquisition, Avana Logistek is able to leverage over three decades of operational expertise of providing international liner services across Middle East and the Indian sub-continent. Avana Global was predominantly serving in the Middle East and West coast of India but post-acquisition the company now also has significant access to key Southern and Eastern coast ports of India and has expanded its reach to South-East Asia and Far-East.

We believe that the acquisition of Avana Global has played a significant role in the growth and expansion of our operations, customer base, business synergy, network expansion and establishing our presence in the Middle East, Arabian Gulf. Pursuant to the acquisition of Avana Global, we now have access to and operate 22 offices, including in the Middle East, which was earlier reliant on third party agents. We believe that the acquisition of Avana Global has also allowed us to provide freight forwarding and liner agency services, ensuring necessary competitive advantage to provide seamless and integrated logistics solutions for our customers.

Avana Logistek has also recently started providing (i) warehousing & distribution services and (ii) cold chain (temperature controlled warehousing and transportation) services. We believe that this has enabled us to enhance our service proposition for existing customers, including due to our expertise in handling reefer cargos in the Gulf Co-operation Council ("**GCC**") and India and ability to garner new customers. We have also developed a process for customer journey mapping which involves a mechanism where customers' feedback is recorded and analysed through business intelligence. These processes along with documentation and operational procedures will make our business more efficient and will help in making it a satisfactory experience for our customers using tools such as customer portals.

We are part of Transworld group, a diversified logistics and shipping conglomerate, founded in 1977 by R. Sivaswamy and headquartered in Dubai, UAE. The Transworld group has a fleet of owned and chartered vessels having presence in emerging markets, including in the port of Jebel Ali, which is the largest port, in terms of container port traffic, for the GCC region and offers a host of diverse services covering various facets of logistics and shipping, including ship owning (containers and bulk), feedering, international liner, coastal shipping, cold chain, warehousing and distribution, freight forwarding, shipping agency and break bulk.

We have presence in India and international markets with 22 offices and established network in 20 countries. We have a widespread transportation network across 19 states and five union territories in India and serve over 1,500 pin codes as at March 31, 2018. As of March 31, 2018, we have 13 branches across India.

We have received various industry accolades, awards and recognition over the years, including India Seatrade Award in the 'Container Operator of the Year' category for Fiscals 2014, 2015, 2016 and 2017, Gujarat Star Award 'Best End to End Complete Logistics Solution Provider of the Year' in Fiscals 2013, 2014 and 2015.

For Fiscals 2018, 2017 and 2016, our consolidated total income was ₹ 14,064.87 million, ₹ 10,325.76 million and ₹ 9,334.11 million, respectively and consolidated profit after tax for Fiscals 2018, 2017 and 2016 was ₹ 507.19 million, ₹ 141.80 million and ₹ 98.80 million, respectively. Our consolidated revenue from operations increased to ₹ 13,990.51 million from ₹ 10,243.48 million from ₹ 9,284.88 million in Fiscal 2018, 2017 and 2016, respectively at a CAGR of 14.64% from Fiscal 2016 to Fiscal 2018. Our consolidated EBIDTA for Fiscal 2018, 2017 and 2016 was ₹ 790.39 million, ₹ 488.37 million and ₹ 410.83 million, respectively. Our consolidated profit after tax for Fiscals 2018, 2017 and 2016 is ₹ 507.19 million, ₹ 141.80 million and ₹ 98.80 million, respectively.

***Our Strengths***

***Leading integrated logistics solutions provider in India and GCC region***

We are a leading integrated end-to-end logistics solutions providers company in India and a key regioner liner with significant presence in GCC countries according to the CRISIL Report. We are the largest domestic coastal logistics solutions provider with a market share of approximately 52%, according to the CRISIL Report. Our solutions cover the entire cargo transportation process which includes pick-up of cargo from the origin location, transportation and finally, delivery of the cargo at the destination, which we believe are undertaken through cost effective and timely channels. We provide customized logistics solutions to our customers, including port-to-port services, point-to-point services and ensures that each service or solution is carefully customized to address the specific needs of our customers. This includes the assignment of dedicated teams, reporting protocols and modular as well as tiered service solutions that give our customers appropriate choices for engaging our services. Our integrated services enable our customers with a preferable single-window solution thereby meeting the requirements of multiple service providers at different levels in the chain of logistics services. Further, our integrated service model provides us with greater business opportunities from our customers by offering a wide range of services, contributing to our revenue and profitability. We also provide scheduled fixed day services which enables our customers to plan their cargo movement well in advance resulting in better control of their supply chain.

We provide diverse logistics solutions, including through road, rail and coastal mode and our integrated service offerings extends to various geographies, including in the Indian sub-continent, Middle East, South-East Asia and Far-East. Further, we operate in major ports in India and Middle East, including in the port of Jebel Ali, which is the largest port, in terms of container port traffic, for GCC region according to the CRISIL Report which has developed into a strategic trans-shipment port for other countries of GCC region.

We have developed innovative solutions to address challenges pertaining to the industries in which our customers operate. Our technology has enabled us to control and command operations, undertake real-time tracking of vehicles, provide end-to-end visibility and transferability of operations and make timely corrective interventions, including online tracking of containers' positioning which can be tracked on our website. Our information technology systems play a significant role in enabling us to offer cost-efficient and customized solutions to our customers. It not only enhances our operational efficiency and customer service quality, but also reduces our operating costs, enabling us to handle emergency situations, making it more competitive in the global logistics markets. We have also developed certain processes whereby our Process Excellence (PEX) team will help us in troubleshooting while pointing us towards the issues on which we may be lacking along with solutions to solve such issues. Implementation of such processes will also assist us in further developing our relationships with our business partners such as agents and suppliers thereby enabling us in providing better and more effective means to provide end-to-end solutions to our customers in synchronisation with our business partners.

Additionally, we leverage the strengths and heritage of the Transworld group. The Transworld group operates offices in UAE, USA, Saudi Arabia, Oman, Qatar, Kuwait, Sri Lanka, Singapore and offices in a number of Indian cities combined with strong network partners' offices in 20 countries. We believe that being part of the Transworld group imparts us with various synergies, including access to two vessel operating companies being Shreyas Shipping, our Promoter, one of the largest Indian flag ship owner/operator and Transworld Feeders, our Group Company, based in UAE operating vessels between Middle East, South-East Asia and Far-East and India.

***Wide geographical presence with extensive coverage***

As of March 31, 2018, we have operations in India, spread across 19 states and five union territories, covering over 1,500 pin codes, establishing our pan-India presence. Post the acquisition of Avana Global, we have further consolidated our pan-India presence by increasing our liner services from East & South Coast of India and Middle East, including the port of Jebel Ali, one of the five key ports in the Asia and also, one of the top ten container handling ports, globally, which has developed into a strategic trans-shipment port for other GCC countries. Avana Global was predominantly operating in the west coast of India and the Middle East and post-acquisition, it has extended its business operations to the south and east of India and expanded further to South East Asia and Far-East. We now operate 22 offices and have network in 20 countries globally, which enables us to have direct presence in the countries in key global markets. Avana Global operates through Jebel Ali Free Zone and conducts its maritime logistics business through a wide network of partners across 20 countries in the Middle East, Indian sub-continent, South-East Asia and Far East region spread across 46 ports and 41 ICDs. We are able to leverage from the Transworld brand and aim to differentiate ourselves in providing logistics solutions, thereby enhancing the Transworld group brand value, track record and market position. Our growth has also been due to significant expansion of strong Transworld brand name and fleet of owned and chartered vessels and its strong, growing presence in emerging markets and access to global offices in a number of Indian cities combined with strong network partners' offices in 20 countries.

We lease most of our offices/ DCs and delivery vehicles, which enables us to expand our operations in order to adapt to changing industry conditions, environments and customer needs. Further, we have dedicated space which we make available to our customers both under the domestic and international logistic routes which enables us to offer assured space availability to our customers for dry and reefer cargo thereby further enabling us to reduce costs and increase our margins, while simultaneously offering assured services to our customers. We believe that our wide and extensive network and presence in multiple jurisdictions, either through our direct presence or through agents, enables us to have greater access to customers and deliver our solutions to a larger addressable market across a broad geographic spectrum, contributing to our volume of services, revenue and profitability.

***Strong customer focus and growing customer base***

We believe we have a deep understanding of the complexities and challenges faced by our customers in their business. Our large customer-base of over 24,000 customers across the globe, operating in various industry verticals has enabled us to monetise collective knowledge and cross-leverage the know-how and best practices. Our customers include many leading businesses, including construction, agriculture, pharmaceutical, dairy, transporting a variety of goods such as construction material, agricultural products, hazardous and non-hazardous chemicals, food products and beverages, machinery and equipment, minerals, electronics, pharmaceutical, petro chemical products, automobiles and fertilizers. In Fiscal 2013, we had customer-base of approximately 5,000 customers, which has now increased to over 24,000 customers in Fiscal 2018, including addition of customers from different industry verticals such as fertilizer, chemicals and viscose fibre manufacturers. Our pan-India presence and reach into wider network of fleet owners provides us substantial reach and penetrations for our customers.

We have a history of high customer retention and satisfaction, deriving a significant proportion of our revenues from repeat business (defined as repeat business generated in the preceding Fiscal) built on our successful execution of prior engagements. We have been the market leaders in the domestic logistics solutions space in the last three Fiscals and accordingly, most of our large customers (in terms of revenue and volumes) have remained largely unchanged.

We have an extensive portfolio of logistics services and solutions to address our customers' varied and diverse their different business and technology needs. We have continuously invested in broadening our portfolio, which is tailored to the specific needs of our customers and industries in which they do business. In order to improve our service efficiencies and facilitate repeat business, we carry out regular audits and surveys, which are important for us to ensure high level of customers' satisfaction through continued feedback. We strive to be flexible to our customers' business needs and requirements, such as reducing run costs, re-aligning our services with business changes, and helping envision their future technological needs in line with projected business trends. Our track record of delivering an extensive range of logistics solutions, demonstrable industry and technology expertise, and sensitivity to our customers' feedback, has helped us forge strong relationships with our major customers.

***Experienced management and operational team and with strong domain expertise***

We have built a strong management culture with experience in the logistics sector, with over 39 years of entrepreneurial experience of Ramakrishnan Sivaswamy Iyer, our Executive Chairman and his hands-on involvement in the shipping and logistics sphere. Our Managing Director, Sundaresan Varadarajan has over 35 years of experience in the field of shipping and logistics industry. Ritesh Sivaswamy Ramakrishnan, Joint Managing Director, has eight years of experience in shipping and logistics. Experience in these industries are key in driving business growth and provides thought leadership in the logistics space on making operations more efficient and productive, including with the use of technology.

Our management team comprises seasoned logistics and technology professionals with global experience and the professionals with deep experience in the domains of our customers, which has helped us deliver consistent financial performance. We believe that this blend, together with a strong management culture, helps our management team develop deep insights, anticipate trends in the market, and devise and execute Avana Logistek's strategy effectively. Further, our management team enables us to conceptualise and develop new services and solutions, effectively market our services and solutions, and develop and maintain relationships with our customers and agents. For further information relating to our management, see "*Our Management*" beginning on page 166.

Since we started doing business, our Promoters have instilled in us their sense of purpose and passion in the manner in which they do their business, and we cherish and live by those values. Our management culture is collaborative and team-oriented, which is inherent in the way we do business and we believe this is a source of competitive advantage.

***Asset-light business model***

We operate on an asset-light business model enabling us to offer a variety of flexible, scalable and customized portfolio of services and solutions. We believe that the leasing of assets by us gives us a formidable advantage and scalability over other industry players. We work with a community of collaborators, partners, agents, vendors and suppliers and provide our services in a modular manner, depending on our customers' needs. These services are based on our customers' requirements and we handle complexities that are unique to the Indian logistics industry. Some of our equipment and other infrastructure requirements are procured from third parties on a need-based basis at competitive rates giving us the ability to 'plug-and-play' depending on the requirements. We have built long-standing relationships with container leasing companies who provide us operating assets like containers and vehicles as per our requirements. For instance recently in the month of March 2018, Avana Logistek had signed an agreement with VS&B Domestic Container Solutions Private Limited for leasing 1000x20 feet domesticated high cube containers on an operating lease for a period of seven years. We believe that our 'asset-light' business model improves our ability to change and adapt to changing market conditions and adapt to economic conditions and also ensuring our competitive edge.

***Our Strategies***

***Continue to expand our geographical presence and establish our new business segments – cold chain and warehousing & distribution***

We propose to capitalise on the continued market growth and strengthen our presence in integrated logistics across various jurisdictions, including through inorganic growth opportunities. We intend to expand in new geographies of South East Asian countries, including Singapore and Far East and the identified trade lanes operate between major commercial ports of China, Korea, Singapore, Malaysia, Vietnam, Indonesia, East Africa and the gateway ports of the Indian sub-continent. We intend to obtain access to certain additional ports to our existing logistics network, such as JNPT, Kakinada, Paradip, Port Blair, Ennore, Dhamra and North East India. In addition, we intend to focus on developing the volume out of ports such as, Mundra – JNPT, Kakinada – Cochin, Chennai – Port Blair, Haldia – North east cargo via Bangladesh port, Kandla, Jebel Ali, Damam, Sohar, Jubail, Doha and Bahrain. By pursuing these expansion efforts, we intend to achieve a larger network scale, create synergies to generate higher revenue and enhance operational efficiency.

We have recently entered two new business segments, being (i) cold chain business providing facilities for cold storage equipped for active refrigeration on long haul freight; and (ii) warehousing & distribution services for providing commercial storage and transportation. To enhance our position within this segment, we intend to set up temperature controlled storage, integrated F&V handling and processing centre, logistics services during festivals in various states in India, movable storage, part load B2B distribution and temperature controlled supply chain consultancy. We also intend to operate in a mega food park in Chhattisgarh providing all the services mentioned above. We intend to build multi-temperature storage and distribution centers at major cities, such as Mumbai, Delhi, Bengaluru, Hyderabad, Ahmedabad, Pune, Chandigarh and Vishakhapatnam. Further, we intend to establish a network of specialist cold-storage warehouses based on the concept of *Avana Chill Zones*, cold-storage warehousing facilities based on international standards, including large cargo and smaller volumes, express and enterprise solutions as well as services and solutions for long and short transit periods.

We intend to establish temperature controlled units to provide space both for bulk and hub utilisations. Our temperature controlled fleet corridors are supported by in-transit hubs which acts as efficiency enabler by providing truck check post and control centers at every 700-900 kms ensuring faster turnaround. Our entry in the cold chain business will also assist and compliment our expertise in handling the reefer container cargos in GCC region and India.

The warehousing, distribution and transportation services to be provided by us includes, palletized and non-palletised storage, oversize cargo storage, open yard storage, dangerous goods storage, 3PL services. We propose to set up warehouses at various locations in India, including in Ahmedabad, Mumbai, Delhi NCR, Hyderabad, Chennai, Bengaluru, Kolkata, Pune, etc. We intend to provide warehousing and distribution services to customer which ranges from inbound logistics, manufacture support, vendor manage inventory, order fulfillment, value added service, sales and aftermarket services and distribution management. These services are mainly within warehousing which includes inbound and outbound of material which supported by Warehouse management system and ERP system of customers. We will work of semi-automated and automated process in terms of loading, unloading, picking and put away operations which will benefit to customer in long run. Distribution management will be done through owned and market hire vehicles. This operation will be supported by technology like transport management systems, vehicle tracking and optimizers. Services are provided based on time bound and cost effective manner to customers. These services includes load building, shipment, status updates, POD confirmation, milk run, last mile delivery. After customer mapping we have identified our customers for cold chain and warehousing & distribution.

***Continue to focus on increasing efficiency, innovation, providing advanced integrated and competitive logistics solutions, advanced technology-driven services***

We believe that strengthening our technological capabilities will play a key role in managing our operations and also help in enhancing our customer service levels. In addition to investments in software systems, we have invested in building the capabilities of our technology team, which now has experts in domains such as usability engineering, architecture, and development, product management and infrastructure management.

We intend to continue to develop our technology systems to innovate and increase asset productivity, lower costs of operations, improve operating efficiencies, provide scalability and visibility for our customer and strengthen our competitive position. We also aim to improve further our operating efficiencies by increasing our integration with our customers' internal systems and processes. We will continue to automate major processes in our business to improve process efficiency, reduce costs, and offer a differentiated value proposition to our customers. We intend to implement cloud based Enterprise Resource Planning (ERP) platform for our end-to-end logistics solutions, providing a single integrated platform with customer portal and mobility solution. We also intend to further develop on our customer portal and mobile application to provide features such as vessel schedules, booking, shipping instructions, invoice instructions and payment gateway and performance dashboards. We also intend to develop in predictive analysis as a tool for managing our container assets efficiency.

We aim to create a unique operational model that uses technology to make accurate predictions, ensure high level of efficiency, focus on automated operations and simplify logistics across the Indian sub-continent and the middle-east.

We propose to put in place advanced transportation management system with an integrated ecosystem involving real-time exchange of information with diverse customer and service provider systems. Further, we intend to enhance our infrastructure to enable us to respond to our customers' changing needs, for instance, providing more DCs, number of hubs, branches and feeder routes.

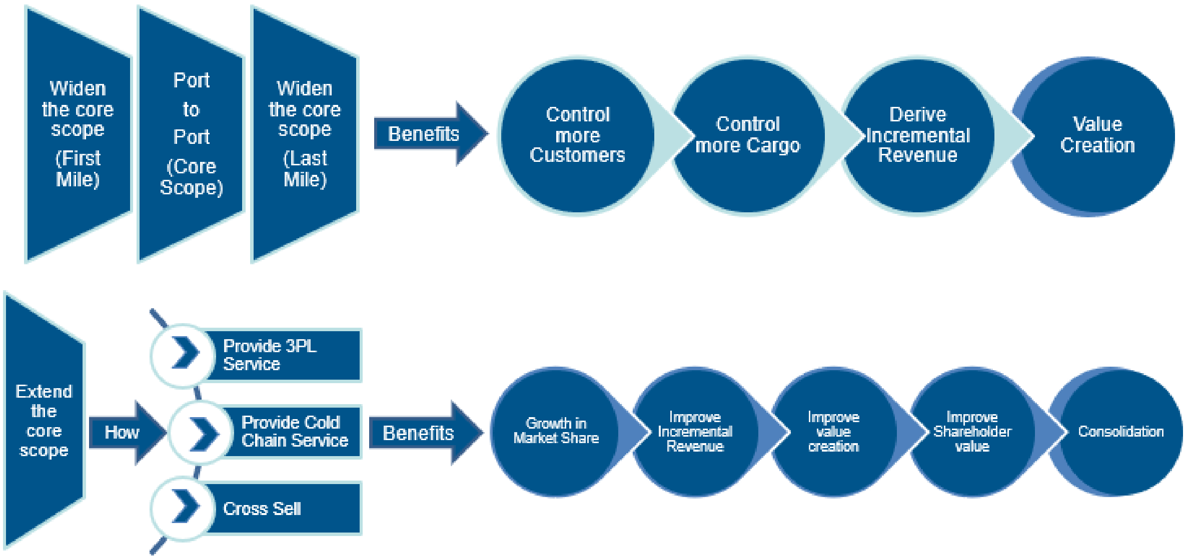
We being major player in logistics sector aim to contribute towards the growth in the nation's economy. In line with our expansion plan for coastal business in India, we have done an extensive cargo mapping of certain transported products in India. We intend to initiate new services to bring in innovation to carry more cargoes under the coastal route. One of the cargo identified is cars from the automobile industry, and it has potential to use coastal shipping since most of the plants are located in Chennai. We imported car rakes which could be fitted in any standard ISO dry container. When a container is fitted with car rakes, it enables the car to be transported without much handling and can prevent any damages during transit. Foldable containers are one of the latest innovation in containers where 40' containers in a lot of 4 x 40'HC can be folded once the cargo is unloaded and made as one bundle to be moved back as empty. This operation is ideally suitable for an imbalance trade where there is only one-way cargo movement. Instead of repositioning the container as it is once folded, they will result in saving the cost of slot, empty transport and handling in terminal thus reducing our operational cost.

***Increase the customer base by providing them broad spectrum of services and cross-sell existing services to customers***

We intend to broaden our spectrum by soliciting new customers to whom we shall offer both existing and new services, while also engaging with existing customers to introduce the new services which we propose to introduce and grow. We intend to capitalize on the fragmented market offerings and increase our market share through seamless logistics solutions as we have been doing since 2005.

We intend to build a base of new customers in different industries, such as cold chain, warehousing, distribution and transportation. We propose to invest in building temperature-controlled storage facilities, leasing dry warehousing space & transportation vehicles to meet growing demand of wider range of customers and industries. We also intend to diversify and expand our cargo portfolio to different types of goods which will enable us to cater to new markets and increase volume of our business which in turn will contribute to increased revenue and profitability.

We intend to cross-sell our existing services to all our customers and provide them access to broad spectrum of services to address their evolving logistic requirements. We propose to increase our revenues from our existing value added services such as efficient routing, 24*7 tracking systems and delivery alerts. For instance, we may offer to our existing customer who is currently utilising port to port services to avail first mile & last mile transportation, cold chain facilities, warehousing & distribution services. Further, we attempt to evaluate our customers' needs on a regular basis which enables us to customise our service offerings.




We aim to expand our relationships with our existing customers by offering additional logistics services to them and by continuing to follow our asset light model. The logistics industry in India is a highly competitive and fragmented industry and we intend to continue to focus on improving our operational efficiency and quality of service. Further, we intend to enhance our ability to provide further customized solutions to our customers.

***Employees are an important asset for us and we continue to focus on establishing human resources***

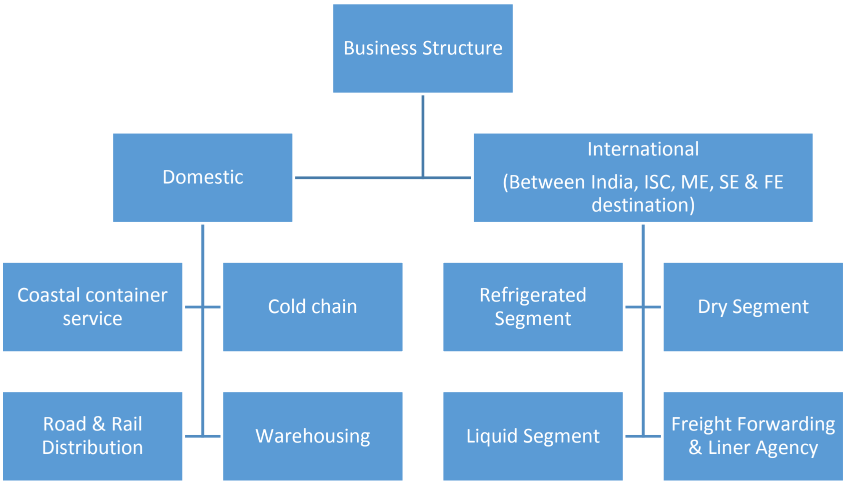
We intend to focus on human capital management comprising our employees and stakeholders. We have developed "My Transworld", a digital system for talent management, performance management, training, and skill development. We also conduct computer based psychometric profiling, an online tool to analyze and understand the behavioural traits, physiological pattern and job fitment of prospective candidates. This will also enable us to assess existing employees' development plan, potential appraisal and assist in promotions. We also intend to improvise on communication and employee engagement, by introducing quarterly newsletter, weekly bulletins, social media updates and employee culture survey. We intend to continue to focus on skill development of our employees and intend to invest in conducting programs for their personal development, knowledge enhancement, mentoring, health and training. *Translife*, one such initiative by us focuses on the developing good health of employees and their families.

***Establish our brand "Avana" in domestic as well as international markets***

We aim to build brand awareness and equity for "Avana" through a well-defined B2B and targeted digital marketing programme that will use online and social media to augment our existing brand presence in the sectors, markets and industries we currently operate within. With the aim to provide end to end integrated logistics solutions, we strive to provide seamless logistics services in domestic as well as international markets.

Our 'Digital First' approach will be reflected in our daily operating principles, processes and policies and also in the approach we take to building 'communities' of customers, partners and employees. Our targeted approach of digital marketing will allow us to maximize impact on any marketing spend and more importantly, it will also allow us to be 'different things to different segments' as opposed to everything for everybody. The ability to specifically target key customers and promote 'smart solutions' will play a critical role in encouraging qualified leads for new business opportunities and also protecting our position of thought-leadership, innovation and authority within the industry.

***Business description***




***Domestic integrated logistics solutions***

*Coastal*

We have presence, through our Shreyas Shipping, Promoter, across major ports such as Mundra, Cochin, Kolkata, Chennai according to the CRISIL Report. By optimizing the potential of the Eastern & Western coastline and ports, we provide energy efficient and "environment friendly" and cost effective logistics solutions as carbon dioxide emissions from coastal shipping are minimal compared to roads and rail according to the CRISIL Report.

Our domestic logistics solutions comprises domestic coastal container service and road / rail transportation. We are the largest domestic (coastal) logistics solutions provider with a market share of approximately 52%, according to the CRISIL Report. We provide customized and flexible logistic solutions to our customers based of point to point service in a cost effective manner. We currently cover pick-up and delivery locations in more than 1500 pin codes in India as at March 31, 2018. We also offer seamless connectivity through coastal shipping, inland trucking and inland rail rake services. We provide better cargo safety and security and have capacity to handle large volumes of business with velocity. We have been issued the ISO certificate – ISO 9001: 2008 by DNV Quality Registrar in respect of our coastal services. We also offer smarter logistics support to distant areas for the movement of ISO tanks, reefer boxes and project cargo within India through road and costal movement.

Our endeavors have resulted in savings in fuel, CO2 emission and reduction in road congestions and made significant contribution to reduce the national environmental challenges. Avana Logistek provides innovative shipping services to almost all of India's major ports in line with Union Government's flagship project of promoting port led development under Sagarmala Programme spanning from West coast to East coast. According to the CRISIL Report, carbon dioxide emissions for road were 59 grams per tonne km, followed by rail at 21 grams per tonne km and shipping contributes the lowest in carbon dioxide emissions at 10 grams per tonne km.

*Road transportation*

As regards our road transportation network and services, we have a specialized fleet of vehicles complemented with the latest technology and operational infrastructure. We specialize in providing the containerized intermodal, freight movement from one mode of transportation to another. Our trailers are majorly used for inland transportation of cargo, given the connectivity to the hinterlands of the nation. We also provide point to point service covering a distance of over 3,400 kms on dedicated round trip with GPS enabled trailers which are tracked 24*7.

We own 66 GPS enabled trailers of various capacities and offer customized transport solution to various industries and product segments. We are nationalized logistics service providers with more trending towards container movements and more focus to improve the vehicle routing. We serve over 1,500 pin codes as at March 31, 2018. We also offer logistics support for the movement of ISO tanks and reefer container in India.

*Volume of business*

| Particulars | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
|---|---|---|---|
| TEUs (Handled) | 121,350 | 90,713 | 63,318 |

*Infrastructure*

We have built strong long-standing relationships with our business partners, who provides us on lease and hire operating assets like containers and vehicles as per our requirements.

*Operational locations*

We currently operate in India (Delhi, Ludhiana, Mundra, Gandhidham, Pipavav, Surat, Mumbai, Pune, Goa, Mangalore, Bangalore, Cochin, Tuticorin, Chennai, Visakhapatnam, Krishnapatnam, Paradip, Kakinada, Port Blair, Kolkata and Haldia) through our branches or through third party agent offices as provided in the map below:


*Customers*

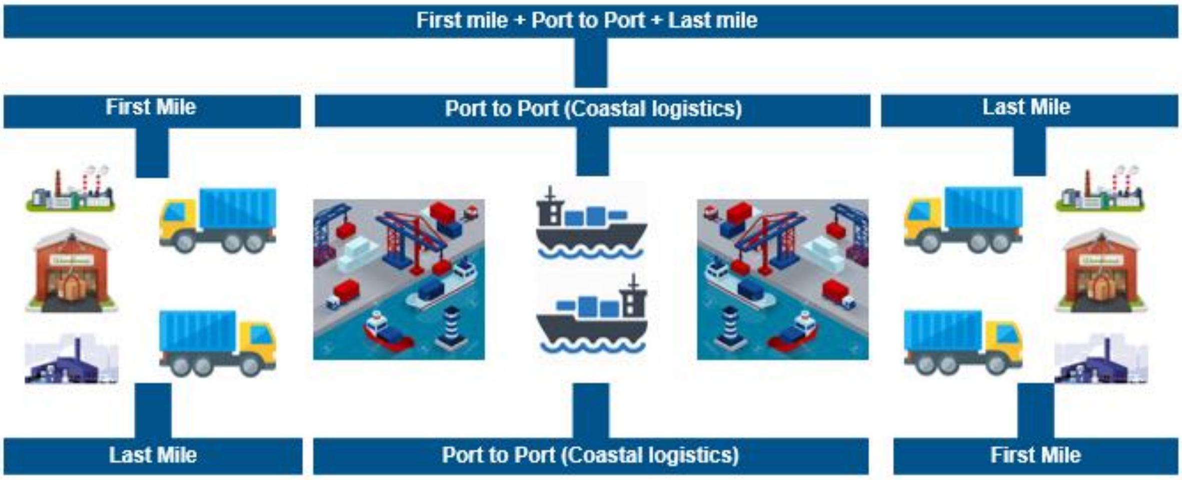
During the Fiscal 2018, our top 10 customers operating in the domestic logistics solutions business contributed 39.02% of total income of our Company on a standalone basis. Our customers operate in various industry segments, including in construction, agriculture, pharmaceutical, dairy, transporting goods such as construction materials, agricultural products, fertilizers, rubber, liquid cargo containing chemicals, refrigerated cargo containing fruits, vegetables, sea food and dairy products and pharmaceutical products.

*Competition*

Some of our competitors in our domestic logistics solutions business are The Shipping Corporation of India, TCI Seaways, Simatech Shipping which are involved in the business of logistics and shipping.

*Financial performance*

Our domestic logistics business attributes to 46%, 45%, 37%, 34% and 32% of our consolidated revenue from operations as of Fiscals 2018, 2017, 2016, 2015 and 2014, respectively.




***International logistics solutions***

Our international logistic solutions comprise liner services carried out through Avana Global. We provide regional liner services across Middle East, Indian sub-continent, South-East Asia and Far East region. Avana Global is one of the key regional liner operators on India-GCC route according to the CRISIL Report. We have established our presence in the Middle East, Persian Gulf, South-East Asia and Far-East region and operates a fleet of around 22,000 TEUs of which over 55% is on an owned basis.

Avana Global is majorly involved only in port to port transportation activity of containers. Any first mile or last mile delivery of cargo is handled by either the customer directly or the local agents of Avana Global. Avana Global is also involved in inland container depot (ICD) movements which serve all port facilities including customs clearance.

*Volume of business*

| Particulars | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
|---|---|---|---|
| TEUs (Handled) | 139,427 | 103,365 | 98,425 |

*Infrastructure*

Shreyas Shipping, our Promoter has a fleet of 13 vessels with a capacity of over 23,143 TEUs and GRT of 248,892 and is one of the largest Indian flag ship owners/ operators at various Indian ports for its ability to carry feeders, domestic cargo, regional cargo and transshipment cargo. Transworld Feeders concentrates on ocean transportation in India, Middle East and Indian sub-continent sectors.

*Operational locations*

We operate 22 offices and have network in 20 countries.

*Customers*

Our customers operate in various industry segments, including in construction, agriculture, pharmaceutical, petrochemicals, garments, dairy, transporting goods such as construction materials, agricultural products, fertilizers, rubber, liquid cargo containing chemicals, refrigerated cargo containing fruits, vegetables, sea food and dairy products and pharmaceutical products. Our customers include certain exporting and star houses from India, the leading petrochemical giants from the Middle East, trading houses specializing in retail amongst others and most of them are on a fixed tender basis of an annual or semi-annual basis.

*Competition*

Some of our competitors in our international logistics solutions business are Perma shipping line and Bay line which are involved in the business of containerized movement of goods mainly in the Middle East and Indian sub-continent.

*Financial performance*

Our international logistics business attributes to 54%, 55%, 55%, 63% and 66% of our consolidated revenue from operations for Fiscals 2018, 2017, 2016, 2015 and 2014, respectively.

***Cold chain solutions***

We have expanded our business to 30 reefer trucks and three leased cold storages operations with an ability to serve customers on a pan-India basis.

Our temperature-controlled division have three main offerings:

- Temperature controlled transportation;
- Temperature controlled Warehouses (Distribution Centres); and
- Portable container storage.

Our product segments being serviced include:

- Dairy
- Fruits and Vegetables
- Meat and Poultry
- Frozen foods
- Confectioneries including chocolate and baked products
- Ice-cream

Features of Temperature controlled warehouses:

- Remotely controlled centralized temperature management
- High tech telematics with features like real time location, temperature & humidity tracking, alerts on vehicle health, and cargo safety
- Product specific designed containers to transport frozen, chiller and ambient products
- Multi-chamber and multi-temperature range from +20 degree Celsius to -25 degree Celsius warehouse to store variety of products from frozen meat & poultry, sea food and poultry to chiller products like dairy products and confectionaries
- Value Added Services like kitting, labelling, sorting, loading and unloading of containers, repacking, sorting, Blast freezing etc. comes as standard offerings
- Advance WMS customised to suit client's requirement and cross talk connectivity.

**Warehousing and distribution services**

We recently ventured into warehousing & distribution business (3PL) to provide cost-effective, efficient and innovative warehouse solutions. We offer end to end solutions for different industries which encompasses supply chain design, warehousing design, business process, resource optimization, value added distribution services along with optimization to our customers.

Key features of the facilities include:

- Client specific workflows for inbound, outbound and inventory control processes
- Inventory attribute tracking to allow for tracking of specific customer required attributes such as lot and batch number.
- Appointment scheduling
- Receiving and putaway
- Inbound value-added services by client, product, shipper, receiver
- Picking based on criteria/logic and thereby increasing productivity

**Our Customers**

We have a diverse customer portfolio, servicing many of the leading names in both, Indian and global industry across various sectors, directly or indirectly through our subsidiaries. We provide a wide array of services to our customers from a broad range of industries, including construction, agriculture, pharmaceutical, dairy, transporting goods such as construction materials, agricultural products, hazardous and non-hazardous chemicals, food products and beverages, machinery and equipment, minerals, electronics, pharmaceutical, petro chemical products, automobiles and fertilizers.

**Employees**

We have developed a pool of skilled and experienced workforce over the past years and continue to invest in building our talent pool. As of March 31, 2018, we had 258 employees. We also hire third-party personnel on a contractual basis to meet our short term or project based needs.

We have structured training and development programmes in Avana Logistek. The training creates supportive workplace and development programmes which brings all people to higher skill level. We also focus our training needs toward improving job satisfaction, increase morale, motivation and increasing efficiency. It allows for the advancement and success within our organisation. We have also instituted ESOP Scheme 2018 to align the interests of the employees with those of the organisation.

**Environment, Health and Safety**

We are committed to implementing measures to comply with applicable environmental, health and safety laws and regulations. We comply with all mandatory environmental measures and we have all processes in place to ensure compliance related requirements are met. As of this Draft Red Herring Prospectus, we do not have any material non-compliance issues in respect of any applicable laws and regulations on environmental protection and the health and safety-related rules and regulations set out in applicable central, state and local laws and regulations. For further details, see "*Regulations and Policies*" and "*Government and Other Approvals*" beginning on pages 155 and 355.

**Quality Management**

We created Process Excellence (PEX) team as part of our strategy team, to drive this initiative. PEX team consists of highly qualified professionals with experience in Six Sigma, business process reengineering, quality management and many more. Our PEX team works to understand industry insights, enabling technologies and workplace culture by aligning with overall business strategy. We use tools and techniques like customer journey mapping (CJM), customer experience innovation (CEI), successful customer outcome (SCO) and Six Sigma to understand our customers well and findings to be used as a base for future business strategy. Our Process Excellence function comprise of the following four CoE's (Centre of Excellence),

1. Research & Development Strategy (RDS CoE)
2. Business Process Strategy (BPS CoE)
3. Digital Transformation Strategy (DTS CoE)
4. Disruptive Innovation Strategy (DIS CoE)


*Research & Development Strategy (RDS)*

Our R&D CoE, focus on identifying opportunities and gaps in our current business processes. This is done by understanding challenges faced by the stakeholders linked with business processes using various tools and techniques. Few projects, PEX team, is currently working on are Robotic Process Automation, Machine Learning, Artificial Intelligence, Blockchain, Internet of Things (IoT), Gamification Strategy, Balanced Scorecard Strategy, Customer Loyalty Program and Paperless Office Strategy. The output flows to BPS CoE and DIS CoE.

*Business Process Strategy (BPS)*

Our BPS CoE focus on process efficiency (cost-time-quality) and stakeholder delight. The input flows from RDS CoE and DIS CoE. We developed a 360-degree process design model and intend to adopt ISO Quality Standards. In the present, we have an active quality policy implemented and documented in our ISO apex manual.

*Digital Transformation Strategy (DTS)*

Our DTS CoE, focus on sustainable innovations by optimizing process using digital, mobile, enabling technologies and change management. The input flows from RDS CoE, BPS CoE, and DIS CoE. Our digital transformation projects touch our entire corporate eco-system like customers, vendors, investors, and competitors. We are working on projects like web portal development (customer, employee, and vendor), cluster strategy, social media strategy, business analytics and command center for asset optimization.

*Disruptive Innovation Strategy (DIS)*

We are focusing on "disruptive innovation" to adopt disruptive innovation from not just within our industry but from any industry around the world. For this strategy, the input flows from RDS CoE, BPS CoE, and DTS CoE. We are working on two types of disruptive innovations, new markets disruption and neglected customer segment from existing market.

**Competition**

The Indian logistics industry is largely catered to by a large number of unorganized and service providers based out of specific regions. Therefore, we compete with a variety of local, regional and international third-party logistics service providers of varying sizes, operations and financial resources. Since the logistics industry primarily comprises of regional/ local service providers, it is dominated by a number of unorganized players and has low barriers to entry or exit. We compete against various industry players on the basis of our service quality, reliability and the ability to understand evolving industry trends as well as the ability to anticipate, understand and address customer requirements.

In our business, we compete with international third-party logistics service providers apart from our principal competitors in our domestic business. Our Competitors include Future Supply Chain Solutions Limited, Mahindra Logistics Limited, TVS Logistics Services Limited, Gati Kausar, Snowman Logistics Limited, Shipping Corporation of India, Sima Marine (India) Private Limited and TCI Seaways.

**Technology**

We have over the years invested in upgrading our business by way of implementing various technology initiatives. We believe that the technology used by us plays a huge part in ensuring that we provide complete logistics solutions to our customers and in turn helps us in monitoring effective coordination and tracking of our consignments. Our investments in technology include, among others:

- Microsoft office 365
- Microsoft Dynamics CRM
- Ramco HRMS System
- Cloud Infrastructure
- Oracle

**Intellectual Property Rights**

Avana Logistek has applied for registration of the trademark for "Avana" and associated logo and tradename. We have been allowed to use the domain name http://www.transworld.com/srs/ by the Transworld group as well.

**Insurance**

We maintain a comprehensive set of insurance policies, which are renewable every year. Our containers and vehicles are insured for standard risks, including fire, accidental damages and we also maintain cargo insurance. Avana Logistek's employees are covered by the medical insurance scheme provided to the employees by the Transworld group. Our policies are subject to customary exclusions and deductibles.

**Awards and Recognitions**

We have won several awards at domestic and international level which exhibits our competence and quality standards in the logistics industry. For details about some of the major awards won by us, see "*History and Certain Corporate Matters*" beginning on page 159.

**Corporate Responsibility**

Avana's mission is to consistently create experiences where passion and purpose come together to innovate, excel and contribute to a better future on the basis of stated values of integrity, transparency, respect, customer centrality, excellence and social and environmental responsibility. The corporate responsibility activities of Avana focuses on (i) stewardship of marine environment by contributing to a healthier ocean, planet and people by ensuring accountability in our operations and reducing environmental hazards; (ii) health, food and water security by safeguarding human dignity by ensuring a future where everyone has a physical, social, and economic access to safe and reliable food and water systems; (iii) gender equity and inclusion by being a committed equal opportunity employer by supporting diversity and ensuring gender inclusivity in business operations; and (iv) education, arts and civic engagement by creating pathways to development by empowering individuals with the necessary skills, knowledge and resources to build thriving and self-sustaining lives. These four core focus areas of Avana's corporate responsibility strategy is based on the United Nation's Social Development Goals, input from the Transworld group and the triple values of "People, Plant and Profit".

The corporate responsibility activities of Avana relies on "Partnership and Innovation Sourcing Strategy" by way of making (i) seed grants such as local community support, short-term volunteer opportunity and grant for experimenting with innovative technologies and approaches; and (ii) partnership/long-term grant such as funding of concept to scaling up social innovation, longer-term volunteer program with clearly defined impact objectives, in-house skills transfer to provide training of NGO staff, local suppliers, small businesses, government scheme alignment with clearly defined indicators and university partnerships.

In order to channelise our initiative in right perspective, Avana has identified CSR activity partners to implement its plan. Avana has taken an initiative to address the lack of quality education opportunities among lesser-privileged children through English intervention program. The English intervention program is an in-school supplemental learning program for students to improvise on spoken and written English skills. Avana has also initiated special English learning programmes for children.

Some of the corporate social responsibility activities undertaken includes Dubai Cares, Usha School of Athletics (school and athletic academy focusing on women athletics), The Fine Arts Society, Mumbai (a cultural society to promote classical music, dance and drama) and Valli & Sivaswamy Memorial Charitable Trust and UN World Environment Day Beach Clean Up activity with Aarna Foundation.

For the Fiscal 2018, Avana Logistek has incurred an aggregate expenditure of ₹ 1.00 million on various corporate social responsibility activities initiated by Avana Logistek. This includes our contributions and donations made to trusts which are engaged in activities prescribed under the Companies Act.

**Properties**

We operate on leased properties and leasing properties for a long duration benefits us as it ensures that we have the property for a sufficiently long duration to provide commercial and operational flexibility and continuity. We also use properties owned by us for operating some of our offices, facilities and warehouses.

Our Company has entered into a leave and licence agreement dated May 7, 2018 ("**Leave and Licence Agreement**") with Sivaswamy Holdings Private Limited for our Registered Office and Corporate Office, for a term of five years commencing from May 1, 2018, on a renewable basis. Our Company has issued a notice of termination dated June 6, 2018 to terminate the Leave and Licence Agreement indicating vacation of premises within nine months from the date of the notice. We have also entered into leave and licence agreements and tenancy agreements for our other offices, facilities and warehouses, with mutually agreeable terms between the parties.

## REGULATIONS AND POLICIES

*The following is an overview of certain sector specific laws and regulations as prescribed by the central and state governments in India, which are applicable to our Company. Taxation statutes such as the Income Tax Act, 1961, labour laws such as the Contract Labour (Regulation and Abolition) Act, 1970 and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, apply to us as they do to any Indian company.*

*The description of laws and regulations set out below is not exhaustive and only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

***Laws governing our Company***

Some of the key rules and regulations governing our Company's functioning are enumerated below:

**The Multimodal Transportation of Goods Act, 1993 ("Multimodal Transportation Act")**

The Multimodal Transportation Act regulates the multimodal transportation of goods from any place in India to a place outside India and defines "multimodal transportation" as carriage of goods, by at least two different modes of transport under a multimodal transport contract, from the place of acceptance of the goods in India to a place of delivery of the goods outside India. A multimodal transport contract sets out the liability of a multimodal transport operator to perform, or procure the performance of, multimodal transportation against payment of freight. The Multimodal Transportation Act allows a person to provide multimodal transportation services on obtaining a certificate of registration, which is valid for a period of three years and can be renewed for a further period of three years at a time. A multimodal transport operator is liable for losses resulting from (a) any loss of, or damage to, the consignment; (b) delay in delivery of the consignment and any consequential loss or damage arising from such delay, where such loss, damage or delay in delivery took place while the consignment was in the charge of the multimodal transport operator.

**The Carriage by Road Act, 2007 ("Road Carriage Act")**

The Road Carriage Act regulates common carriers, limiting their liability and declaration of value of goods delivered in order to determine their liability for loss of, or damage to, such goods occasioned by the negligence or criminal acts by such carriers, their servants or agents and for incidental matters. The Road Carriage Act defines a "common carrier" as a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under a goods receipt or transporting for hire of goods from place to place by motorized transport on road, for all persons indiscriminately and includes a goods booking company, contractor, agent, broker, and courier agency engaged in the door-to-door transportation of documents, goods or articles utilizing the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, but does not include the Government. No person can engage in the business of a common carrier unless he has a valid certificate of registration. The Carriage by Road Rules, 2011 specify the liability of a common carrier for loss or damage to any consignment is limited to ten times of the freight paid, or payable, provided such amount shall not exceed the value of the goods declared in the goods forwarding note.

**The Indian Carriage of Goods by Sea Act, 1925 ("Sea Carriage Act")**

The Sea Carriage Act regulates carriage of goods by sea in ships, carrying goods from any port in India to any port whether in or outside India. Carriage of goods covers the period from the time when the goods are loaded on to the vessel till the time that they are discharged. The Sea Carriage Act lays down certain rules relating to bills of lading for carriage of goods by sea "*from any port in India to any other port whether in India or outside India*" and specifies the risks and liabilities of the carrier and the shipper, rights and immunities available.

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

The Motor Vehicles Act regulates licensing of drivers, registration of motor vehicles, control of motor vehicles through permits, special provisions relating to state transport undertakings, insurance, liabilities, offences, compensations and penalties. The Motor Vehicles Act imposes liability on every owner of, or person responsible for, a motor vehicle to ensure that every person who drives a motor vehicle holds an effective driving license. Further, the Motor Vehicles Act requires that an owner of a motor vehicle bears the responsibility of ensuring that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act and that the certificate of registration of the vehicle has not been suspended or cancelled. The Motor Vehicles Act also prohibits a motor vehicle from being used as a transport vehicle unless the owner of the vehicle has obtained the required permits authorizing him to use the vehicle for transportation purposes. No motor vehicle can be used as a transport vehicle unless the owner of the vehicle has obtained the required permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorizing him the use of the vehicle in that place in the manner in which the vehicle is being used. The Motor Vehicles Act imposes the liability on every owner or person responsible for a motor vehicle to ensure that every person who drives the motor vehicle holds an effective driving license. The Central Motor Vehicles Rules, 1989, as amended, prescribed under the Motor Vehicles Act, sets out the procedures for licensing of drivers, driving schools, registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third party risks.

**Central Motor Vehicles Rules, 1989 (the "Central Motor Vehicles Rules")**

The Central Motor Vehicles Rules, as amended, prescribed under the Motor Vehicles Act, set out the procedures for licensing of drivers, driving schools, registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third party risks.

**The Food Safety and Standards Act, 2006** ("**FSSA**")

The FSSA sets out requirements for licensing and registering food businesses, general principles for food safety, responsibilities of the food business operator, liability of manufacturers and sellers, and adjudication by the Food Safety Appellate Tribunal The FSSA came into force with a view to consolidate laws relating to food and to establish the Food Safety and Standards Authority of India (the "**Food Authority**"). The Food Authority sets out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Authority is also required to provide scientific advice and technical support to the Government and the State Governments in framing the policy and rules relating to food safety and nutrition. In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 (the "**FSSR**"). The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure for the commissioner of food safety, food safety officer and food analyst, and procedures for taking extracts, seizure, sampling and analysis.

**Warehousing (Regulatory and Development) Act, 2007 ("Warehousing Act")**

The Warehousing Act provides for development and regulation of warehouses, negotiability of warehouse receipts, establishment of a Warehousing Development and Regulatory Authority and matters incidental thereto. The Warehousing Act regulates the manner of registration of warehouses as well as the issuance of negotiable warehousing receipts in electronic formats. These negotiable warehousing receipts provide proof of ownership of commodities that are stored in a warehouse for safekeeping. In accordance with the terms of the Warehousing Act, no person is permitted to commence or carry on the business of warehousing without obtaining a certificate of registration in respect of such warehouse. Warehouses which do not propose to issue negotiable warehouse receipts are not required to obtain a certificate of registration under the Warehousing Act.

**Customs Act, 1962 ("Customs Act")**

The Customs Act, regulates the duty or tax levied by Central government on import of goods into and export of goods from, India. Any company intending to import or export any goods is first required to get itself registered and obtain an Importer-Exporter Code. The Customs Tariff Act, 1975 provides for the rates at which duties of customs will be charged. The rule making power is delegated to the Central Government while the regulation making power delegated to the Central Board of Excise and Customs (CBEC). The provisions of the Customs Act relating to confiscation, penalty and prosecution shall apply to cases where wrong declaration, information, statement or documents are furnished. It also provides for storage of imported goods in warehouses pending clearance, for goods in transit etc., subject to certain conditions.

**Import Manifest (Vessels) Regulations, 1971 ("Import Manifest Regulations")**

The Central Board of Excise and Customs has framed regulations to regulate the forms and contents of such forms to be filed in respect of import manifests or import reports. As per the Import Manifest Regulations, the import manifests shall comprise of, *inter alia*, applications for entry, general declarations, cargo declarations and vessel's stores list etc. The Import Manifest Regulations prescribe that any person who delivers the import manifest to proper office under Section 30 of the Customs Act shall apply for registration with the customs in the prescribed form. Failure to comply with delivering import manifests within the time limits prescribed under section 30 of the Customs Act may attract monetary penalty not exceeding fifty thousand rupees.

**The Merchant Shipping Act, 1958 ("Merchant Shipping Act")**

The Merchant Shipping Act, as amended along with the rules made thereunder, consolidated the law in India relating to mercantile shipping and was enacted with an aim to develop and ensure efficient maintenance of an Indian mercantile marine to be able to best serve national interests. It is the principal legislation that applies to ships that are registered in India or which are required to be registered under this statute. It also governs the transfer, mortgage and sale of ships. It provides for establishment of the National Shipping Board and a Shipping Development Fund, to provide for the registration of Indian ships and generally to amend and consolidate the law relating to merchant shipping. The Merchant Shipping Act *inter-alia* provides for certification of competency of the officers, engagement and discharge of seamen, payment of wages to seamen, health and accommodation of seamen, the duties of the shipping masters, agreements with the crew, disputes between seamen and employers, inspection by shipping master of provisions, accommodation on board and a certificate of survey for passenger carrying ships. In addition, to ensure safety of the vessels, the Merchant Shipping Act makes it mandatory to install life-saving appliance, fire appliance and radio telegraphy, radio telephony and direction finder. The Merchant Shipping Act also sets out the requirements in relation to the following, among other things, dangerous goods and grain cargoes; collisions, accidents at sea and limitation of liability; wreck and salvage; and weights and measures on board.

**Indian Ports Act, 1908 ("Ports Act")**

The Ports Act, *inter alia*, regulates the administration of the ports and the jurisdiction over ships in ports. It defines the jurisdiction of the Government of India and various state governments over ports. The Act applies to all ports in the country and specifies rules for safety of shipping and conservation of ports and regulates matters pertaining to the administration of port dues, pilotage fees and other charges. The Ports Act imposes liability on the master of the vessel for any loss or damage caused by the vessel or by any fault of the navigation of the vessel.

**Major Ports Trusts Act, 1963 ("Major Ports Act")**

The Government of India is responsible for policy formulation and regulation in relation to major ports, while minor ports are under the jurisdiction of state governments. As such the major ports such as Cochin, Kandla and Visakhapatnam etc. are presently governed by the Major Port Trusts Act which provides for the constitution of port authorities for certain major ports in India and to vest administration, control and management of such ports in such authorities, contains various provisions. The Ministry of Shipping has proposed a draft bill 'Major Port Authorities Bill, 2016' which seeks to replace the 'Major Port Trust Act, 1963'. The bill seeks to provide more autonomy and flexibility to the major ports and to bring in a professional approach in their governance. The bill has been introduced in the Lok Sabha and is currently pending. In case of any offence committed by companies, the Major Ports Act has specific provisions holding director, manager, secretary or other officer of the company liable for such contraventions.

**Inland Vessels Act, 1917 ("Indian Vessels Act")**

The Inland Vessels Act was passed to facilitate the extension and usage of inland waterways by vessels. The Act defines an inland vessel as any mechanically propelled vessel excluding fishing vessel and ships registered under Merchant Shipping Act, 1958, which ordinarily plies on inland water, i.e., any canal, river, lake, other navigable water, or any other area of tidal water deemed to be inland water. The Indian Vessels Act was amended in 2007 bringing out changes such as extension of inland water limits.

**Labour Laws**

Our Company is subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/ or employees of our Company.

*Motor Transport Workers Act, 1961 (the "**Motor Transport Workers Act**")*

The Motor Transport Workers Act provides for the welfare of motor transport workers and for the regulation of their work conditions. It applies to every motor transport undertaking employing five or more motor transport workers. The Motor Transport Workers Act defines 'motor transport undertaking' as a motor transport undertaking engaged in carrying passengers or goods or both by road for hire or reward, and includes a private carrier. The Motor Transport Workers Act lays down detailed provisions for regulating hours of work, payment of wages and protection of the welfare and health of the employees. Any contravention of a provision regarding employment of motor transport workers is punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to seventy-five rupees for every day during which such contravention continues after conviction for the first such contravention.

*The Dock Workers (Regulation of Employment) Act, 1948 (the "**Dock Workers Act**")*

The Dock Workers Act has been enacted to regulate the employment of dock workers. The Act defines dock workers as the persons employed or to be employed in or in the vicinity of any port on work in connection with the loading, unloading, movement or storage of cargoes, or work in connection with preparation of ships or other vessels for receipt or discharge of cargoes or leaving a port. The Dock Workers Act envisages that provisions may be made by initiating schemes for registration of dock workers with a view to ensuring greater regularity of employment and for regulating employment of dock workers, whether registered or not.

In addition to the Motor Transport Workers Act and the Dock Workers Act, our Company is subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as Industrial Employment (Standing Orders) Act, 1946, Minimum Wages Act, 1948, the Sexual Harassment of Women at Workplace

(Prevention, Prohibition and Redressal) Act, 2013, Maternity Benefit Act, 1961, Equal Remuneration Act, 1979 and Contract Labour (Regulation and Abolition) Act, 1970.

**Environmental Regulations**

Environmental related laws such as the Water (Prevention and Control of Pollution) Act, 1974 and the Environment Protection Act, 1986 were enacted to protect and improve the environment quality, control and reduce pollution. Further, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 regulate the collection, reception, treatment and storage of hazardous waste.

**Shops and Establishments legislations in various states**

The provisions of various Shops and Establishment legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations, *inter alia*, in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated as Shreyas Shipping Services (India) Private Limited on March 17, 1994 at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the RoC. Subsequently, the name of our Company was changed to Shreyas Relay Systems Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on December 29, 2004. Further, upon conversion from a private limited company to a public limited company, the name of our Company was changed to Shreyas Relay Systems Limited and a certificate of change of name was granted by the RoC on May 6, 2005. Subsequently, the name of our Company was changed to Avana Logistek Limited to reflect its separate identity and a certificate of incorporation pursuant to change of name was granted by RoC on April 17, 2018.

### Changes in Registered Office

Except as disclosed below, there has been no change in the Registered Office of our Company since the date of incorporation:

| Date of change of registered office | Details of change in the Registered Office | Reasons for change in the Registered Office |
|---|---|---|
| December 22, 1997 | The registered office of our Company was shifted from 97, Jolly Maker Chambers II, Nariman Point, Mumbai 400 021 to 101, Embassy Centre, Nariman Point, Mumbai 400 021 | Administrative convenience |
| January 13, 2009 | The registered office of our Company was shifted from 101, Embassy Centre, Nariman Point, Mumbai 400 021 to 4th floor, Himalayas, Geetmala Building, Near Shah Industrial Estate, Off Deonar Village Road, Govandi (East), Mumbai 400 088 | Administrative convenience |

### Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

*1)*

(a) *"To establish, maintain and operate shipping transport service public and private for the carriage of mails, passengers, goods and livestock, between such ports or places or any seas, rivers and canals in any part of the world as may be expedient.*

(b) *To carry on the businesses of provider of transportation logistics services to any person, firm, company, body corporate or association of persons in India or abroad in relation to transport of persons and goods, of all kind and description, including but not limited to planning, design, documentation management and co-ordination in relation to transportation, physical transport by all means of transportation by land, sea, inland waterways, air and multimodal transport, etc., management of warehouses and logistics centres, undertaking, warehousing services and managing all statutory compliances relating to transportation services and related services, warehousing services, supply-chain management solutions, parcel services, third party logistics, information technology / communication support and while rendering such service, engage in providing for sale, rent, etc., advertisement space on the vehicles, trucks, warehouses, etc., to third parties and development and sale of for managing transportation services, managing container freight stations and act as freight contractors, freight forwarding agents, customs house Agents, customs Handling service providers, providing specialized services like fleet management including carrying out the activities of washing, servicing repairing, maintaining, denting, painting of all types of vehicles and all other activities related thereto and distribution management, cold chain management services, packaging, kitting and labelling and similar services, logistics business management and related activities such as customer service support, maintenance and documentation management relating to logistics software like tracking, routing, scheduling, documentation management and back-end data generation for billing and service level agreement activities for successful deployment of vehicles to carry on the purposes of this company.*

(c) *To act as agents of foreign shipping companies and to handle the ships owned or chartered by foreign principals touching Indian ports."*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out as well as to carry on the activities for which the funds are being raised in the Issue.

**Amendments to the Memorandum of Association**

| Date of Shareholder's resolution/ Effective date | Particulars |
|---|---|
| April 30, 2018 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 250,000,000 comprising 30,000,000 Equity Shares of face value of ₹ 5 each and 1,000,000 Preference Shares of ₹ 100 each to ₹ 350,000,000 comprising 50,000,000 Equity Shares of face value of ₹ 5 each and 1,000,000 Preference Shares of ₹ 100 each. |
| April 30, 2018 | Clause V of the Memorandum of Association was amended to reflect sub-division of the authorised share capital of our Company from ₹ 250,000,000 comprising 15,000,000 Equity Shares of face value of ₹ 10 each and 1,000,000 Preference Shares of ₹ 100 each to ₹ 250,000,000 comprising 30,000,000 Equity shares of face value of ₹ 5 each and 1,000,000 Preference Shares of ₹ 100 each. |
| April 30, 2018 | Clause III of the Memorandum of Association was amended to reflect changes to the main objects clause. For further details, see "*History and Certain Corporate Matters – Main objects of our Company*". |
| March 26, 2018 | Clause I of the Memorandum of Association was amended to reflect change in name of our Company from Shreyas Relay Systems Limited to Avana Logistek Limited. |
| March 10, 2017 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 160,000,000 comprising 6,000,000 Equity Shares of ₹ 10 each and 1,000,000 preference shares of ₹ 100 each to ₹ 250,000,000 comprising 15,000,000 Equity Shares of ₹ 10 each and 1,000,000 preference shares of ₹ 100 each. |
| August 26, 2013 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 130,000,000 comprising 3,000,000 Equity Shares of ₹ 10 each and 1,000,000 preference shares of ₹ 100 each to ₹ 160,000,000 comprising 6,000,000 Equity Shares of ₹ 10 each and 1,000,000 preference shares of ₹ 100 each. |
| August 13, 2008 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 30,000,000 comprising 3,000,000 Equity Shares of ₹ 10 each to ₹ 130,000,000 comprising 3,000,000 Equity Shares of ₹ 10 each and 1,000,000 preference shares of ₹ 100 each. |
| October 30, 2006 | Clause V of the Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 20,000,000 comprising 2,000,000 Equity Shares of ₹ 10 each to ₹ 30,000,000 comprising 3,000,000 Equity Shares of ₹ 10 each. |
| July 4, 2005 | Clause V of the Memorandum of Association was amended to reflect increase in initial authorised share capital of our Company from ₹ 500,000 comprising 50,000 Equity Shares of ₹ 10 each to ₹ 20,000,000 comprising 2,000,000 Equity Shares of ₹ 10 each. |
| May 6, 2005 | Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from Shreyas Relay Systems Private Limited to Shreyas Relay Systems Limited pursuant to conversion of our Company from a private limited company to public limited company. |
| December 29, 2004 | Clause I of the Memorandum of Association was amended to reflect change in name of our Company from Shreyas Shipping Services (India) Private Limited to Shreyas Relay Systems Private Limited. |

**Major events of our Company**

The table below sets forth some of the key events in the history of our Company:

| Year | Event |
|---|---|
| 2017 | Acquisition of Avana Global, our Subsidiary |
| 2011 | Initiated regional liner services business |
| 2008 | Initiated domestic multimodal coastal service and road transportation |

**Awards, accreditations and accolades received by our Company and Avana Global**

| Year | Award/ Letters of Appreciation |
|---|---|
| 2018 | Our Company was awarded the Smart Logistics Award for 'Smart Coastal Shipping Operator' |
| 2017[1] | Our Company was awarded the India Seatrade Award for 'Outstanding Achievement of the Year – Coastal Shipping' |
| 2017[2] | Our Company was awarded the India Seatrade Award for 'Container Operator of the Year – Coastal Shipping' |

| Year | Award/ Letters of Appreciation |
|---|---|
| 2017[3] | Our Company was awarded the Gujarat Star Award for 'Best NVOCC of the Year Coastal/ Domestic Cargo' |
| 2017 | Avana Global was awarded the Maritime and Logistics Award for Excellence in Maritime and Logistics Sector – 'NVOCC of the Year (India-Middle East Trade Lane) |
| 2016[4] | Avana Global was awarded the Gujarat Star Award for 'Best NVOCC of the Year (GP)' |
| 2015[5] | Our Company was awarded the Gujarat Star Award for 'Best End to End Complete Logistics Solutions Provider of the Year' |
| 2015 | Our Company was awarded the Gujarat Star Award for 'Logistics Company of the Year' |

[1] *Our Company has received this award in the years 2014 and 2015.*
[2] *Our Company has received this award in the years 2014, 2015, and 2016.*
[3] *Our Company has received this award in the years 2014 and 2015.*
[4] *Avana Global has received this award in the years 2014 and 2015.*
[5] *Our Company has received this award in the year 2013 and 2014.*

**Corporate profile of our Company**

For details of our Company's activities, our business, services, products, geographical presence, market of each segment, growth, technology, standing with reference to prominent competitors, customers, see *"Our Business"*, *"Industry Overview"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operation"* beginning on pages 142, 98, and 324, respectively. For details regarding management and managerial competence of our Company, see *"Our Management"* beginning on page 166.

As on the date of filing of this Draft Red Herring Prospectus, our Company has seven Shareholders.

**Our holding company**

Transworld Holdings is our holding company. For details, see *"Our Promoters and Promoter Group"* beginning on page 181.

**Our Subsidiaries**

As of the date of this Draft Red Herring Prospectus, our Company has five subsidiaries. For further details, see "*Our Subsidiaries*" beginning on page 163.

**Capital raising activities through equity or debt**

For details regarding our Company's capital raising activities through equity or debt, as applicable, see *"Capital Structure"*, *"Financial Indebtedness",* and "*Financial Statements"* beginning on pages 71, 322 and 201, respectively.

**Time and cost over-runs**

There have been no significant time and cost over-runs in the setting up of any of the projects of our Company, except in the ordinary course of business.

**Defaults or re-scheduling of borrowings and conversions of loans into equity**

There have been no defaults that have been called by any financial institution or bank in relation to borrowings availed by our Company from any financial institutions or banks.

Except as disclosed in *"Capital Structure"* beginning on page 71, there have been no instances of conversion of loans into equity.

**Lock-out and strikes**

There have been no instances of strikes or lock-outs at any time in our Company.

**Changes in the activities of our Company during the last five years**

There have been no changes in the activities undertaken by our Company during the period of five years prior to the date of this Draft Red Herring Prospectus which may have had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

**Injunctions or restraining order against our Company**

As of the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

**Financial and strategic partners**

As of the date of this Draft Red Herring Prospectus, our Company does not have any financial or strategic partners.

**Details regarding acquisition of business/undertakings, mergers and amalgamations**

Other than as disclosed in "- *Summary of key agreements*" on page 162, our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets.

**Details of guarantees given to third parties by our Promoters**

As of the date of this Draft Red Herring Prospectus, our Promoters have not given any guarantees on behalf of our Company to third parties.

**Summary of key agreements**

***Share Purchase Agreement dated March 20, 2017 entered into between Avana Global, our Company and Transworld Holdings***

Our Company entered into a share purchase agreement dated March 20, 2017 with Transworld Holdings and Avana Global (the "**Avana Global SPA**") for purposes of acquiring the entire shareholding of Avana Global from Transworld Holdings. The consideration of ₹ 3,589 million was discharged by our Company to Transworld Holdings by way of issue and allotment of 8,476,050 equity shares of face value of ₹ 10 each our Company at an issue price of ₹ 423.43 per equity share on a preferential basis. Pursuant to the preferential allotment to Transworld Holdings by our Company, Transworld Holdings holds 70.78% of the total issued and paid-up equity share capital of our Company. For details of the preferential allotment made to Transworld Holdings by our Company, see "*Capital Structure – Notes to the capital structure*" beginning on page 72.

## OUR SUBSIDIARIES

As of the date of this Draft Red Herring Prospectus, our Company has the following five Subsidiaries:

1. Avana Global;
2. Balaji UK;
3. TW Oman;
4. TW Dubai; and
5. TW Saudi Arabia

**Details of our Subsidiaries**

**1. Avana Global**

Avana Global was originally incorporated as a free zone company with limited liability on July 10, 2004 at Dubai under the laws of Dubai as Balaji Shipping Lines FZCO. Subsequently, its name was changed to Avana Global FZCO with effect from April 17, 2018. It is licensed by JAFZA to undertake the business of, *inter alia*, ship management and operations.

***Capital Structure:***

| Particulars | Number of equity shares of face value AED 1 each |
|---|---|
| Authorised capital | 500,000 |
| Issued, subscribed and paid-up capital | 500,000 |

***Shareholding***

The following table sets forth details of the shareholding of our Company in Avana Global:

| Sr. No. | Name of Shareholder | Number of equity shares of face value AED 1 each | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Avana Logistek Limited | 499,999 | 99.99 |

**2. Balaji UK**

Balaji UK was incorporated as a limited company on April 29, 1992 at United Kingdom under the laws of the United Kingdom. It is permitted to carry on the business of sea and coastal freight water transport, cargo handling for water transport activities and other transportation support activities in accordance with applicable laws.

***Capital Structure:***

| Particulars | Number of equity shares of face value GBP 1 each |
|---|---|
| Authorised capital | 500,000 |
| Issued, subscribed and paid-up capital | 60,000 |

***Shareholding:***

The following table sets forth details of the shareholding of our Company in Balaji UK through Avana Global:

| Sr. No. | Name of the shareholder | Number of equity shares of face value GBP 1 each | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Avana Global | 60,000 | 100 |

**3. TW Oman**

TW Oman was originally incorporated as a limited liability company on May 9, 2001 at Sultanate of Oman under the laws of Oman as Meridian Shipping Co. LLC ("Shams Al Dhahira Transport and Trading LLC" in Omani). Subsequently, its name was changed to Trans World Shipping, Trading and Logistics Services LLC with effect from November 6, 2010. It is permitted to carry on the business of loading and unloading of goods (irrespective of the mode of transport used for transportation), activities of export and import offices, trading business agencies (excluding portfolio and security exchange), trucking of goods and equipment (scheduled – unscheduled), retail sale in specialized stores of household appliances (such as radio, television), and retail sale in specialized stores of household appliances (such as refrigerators, kitchen equipment) in accordance with applicable laws.

***Capital Structure:***

| Particulars | Number of equity shares of face value OMR 1 each |
|---|---|
| Authorised capital | 150,000 |
| Issued, subscribed and paid-up capital | 150,000 |

***Shareholding:***

The following table sets forth details of the shareholding of our Company in TW Oman through Avana Global:

| Sr. No. | Name of the shareholder | Number of equity shares of face value OMR 1 each | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Avana Global | 90,000 | 60 |

**4. TW Dubai**

TW Dubai was incorporated as a limited liability company on November 5, 1990 at Dubai under the laws of Dubai. It is licenced to carry on the business of sea freight agent, packers, forwarders, transporters by sea, land and air, clearing agent and freight forwarders of all kinds of goods.

***Capital Structure:***

| Particulars | Number of equity shares of face value AED 1000 each |
|---|---|
| Authorised capital | 300 |
| Issued, subscribed and paid-up capital | 300 |

***Shareholding:*** The following table sets forth details of the shareholding of our Company in TW Dubai through Avana Global:

| Sr. No. | Name of the shareholder | Number of equity shares of face value AED 1,000 each | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Avana Global | 147 | 49 |

**5. TW Saudi Arabia**

TW Saudi Arabia was incorporated as a limited liability company on May 23, 2010 at Riyadh under the laws of Saudi Arabia. It is licensed to carry on the business of operating and managing warehousing and vessels, supplying and catering for commercial vessels, and offering ship agency services, in accordance with applicable laws.

***Capital Structure:***

| Particulars | Number of equity shares of face value SAR 100 each |
|---|---|
| Authorised capital | 5,000 |
| Issued, subscribed and paid-up capital | 5,000 |

***Shareholding:*** The following table sets forth details of the shareholding of our Company in TW Saudi Arabia through Avana Global:

| Sr. No. | Name of the shareholder | Number of equity shares of face value SAR 100 each | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Avana Global | 3,750 | 75 |

**Significant sales / purchase with our Subsidiaries**

Except as disclosed in "*Financial Statements*" beginning on page 201, there are no sales or purchases between our Company and our Subsidiaries where such sales or purchases exceed in value in the aggregate of 10 % of the total sales or purchases of our Company.

**Common Pursuits**

Our Subsidiaries are engaged in activities similar to that of our Company or are enabled under their respective memorandums of association, to engage in activities similar to that of our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation if and when they arise.

**Other Confirmations**

1. There are no accumulated profits or losses of our Subsidiaries which are not accounted for by our Company.

2. Except as disclosed in "*Our Business*" and "*Related Party Transactions*" beginning on pages 142 and 199, our Subsidiaries do not have any business interests in our Company.

3. None of our Subsidiaries are listed nor have they been refused listing on any stock exchanges in India or abroad.

4. None of our Subsidiaries have made any public or rights issue in the last three years preceding the date of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

### Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises 12 Directors.

The following table sets forth details of our Board:

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| ***Name:*** Ramakrishnan Sivaswamy Iyer<br><br>***Designation:*** Executive Chairman(1)<br><br>***Address:*** P. O. Box No. 8458, UAE Dubai NA AE<br><br>***Occupation:*** Business<br><br>***Nationality:*** Indian<br><br>***Term:*** Appointed for a period of five years with effect from April 1, 2018 up to March 31, 2023, liable to retire by rotation<br><br>***DIN:*** 00057637 | 57 | • Albatross Logistics Centre (India) Private Limited;<br>• Albatross Shipping Limited;<br>• Avana Global, FZCO;<br>• Balaji Shipping (U.K.) Limited, UK;<br>• Balaji Shipping Co. S.A., Panama<br>• BSL Freight Solutions Private Limited;<br>• Clarion Shipping Private Limited, Colombo;<br>• Crescent Shipping Agency (India) Limited;<br>• Hayleylines Limited, Colombo;<br>• India Gateway Terminal Private Limited;<br>• K's Worldwide, Mauritius;<br>• Lanka Orient Express Lines Limited, Colombo;<br>• Orient Express Lines Inc., Panama;<br>• Orient Express Ship Management Limited;<br>• Relay Shipping Agency Limited;<br>• Shreyas Shipping and Logistics Limited;<br>• Sivaswamy Holdings Private Limited;<br>• SRS Freight Management Limited;<br>• TLPL Shipping and Logistics Private Limited;<br>• Transworld Bulk Carriers (India) Private Limited;<br>• Transworld Bulk Carriers FZCO;<br>• Transworld Feeders, FZCO;<br>• Transworld GLS (India) Private Limited;<br>• Transworld Holdings Limited, Mauritius;<br>• Transworld Logistics & Shipping Services, Inc., USA; |

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| | | • Transworld Logistics FZE;<br>• Transworld Management Consultancy Private Limited;<br>• Transworld Oil Private Limited;<br>• Transworld Projects FZE;<br>• Transworld Saudi Arabia, Saudi Arabia;<br>• Transworld Shipping and Logistics Limited;<br>• Transworld Shipping and Logistics LLC;<br>• Transworld Shipping and Logistics W.L.L., Qatar;<br>• Transworld Shipping, Trading and Logistics Services LLC, Oman; and<br>• Transworld Terminals Private Limited. |
| ***Name***: Sundaresan Varadarajan<br>***Designation****:* Managing Director(2)<br>***Address****:* Westend, Flat No. 302, Sector 19A, Nerul, Navi Mumbai 400 706<br>***Occupation****:* Professional<br>***Nationality****:* Indian<br>***Term****:* Appointed for a period of five years with effect from March 1, 2018 up to February 28, 2023, liable to retire by rotation<br>***DIN****:* 07850694 | 59 | Nil. |
| ***Name***: Ritesh Sivaswamy Ramakrishnan<br>***Designation****:* Joint Managing Director(3)<br>***Address****:* 1808, AL, Bateen Residences, P.O Box 122122, Dubai, U.A.E<br>***Occupation****:* Professional<br>***Nationality****:* Indian<br>***Term****:* Appointed for a period of five years with effect from April 1, 2018 up to March 31, 2023, liable to retire by rotation<br>***DIN****:* 05174818 | 31 | • 7sixfive Services Private Limited;<br>• Albatross Inland Ports Private Limited;<br>• Albatross Shipping Limited;<br>• Avana Global FZCO;<br>• Balaji Shipping (U.K.) Limited, UK;<br>• BSL Freight Solutions Private Limited;<br>• Clarion Shipping Private Limited;<br>• Encore Pierian Logistics Business Services Limited;<br>• Lanka Orient Express Lines Limited;<br>• Orient Express Lines Inc., Panama; |

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| | | • Orient Express Ship Management Limited;<br>• Relay Shipping Agency Limited;<br>• Shreyas Shipping and Logistics Limited;<br>• Shreyas-Suzue Logistics (India) Private Limited;<br>• Sivaswamy Holdings Private Limited;<br>• SRS Freight Management Limited;<br>• TLPL Shipping and Logistics Private Limited;<br>• Transworld Bulk Carriers (India) Private Limited;<br>• Transworld Bulk Carriers FZCO;<br>• Transworld Feeders FZCO;<br>• Transworld GLS (India) Private Limited;<br>• Transworld Holdings Limited, Mauritius;<br>• Transworld Logistics and Shipping Services, Inc., USA;<br>• Transworld Logistics FZE;<br>• Transworld Management Consultancy Private Limited;<br>• Transworld Projects FZE;<br>• Transworld Saudi Arabia, Saudi Arabia;<br>• Transworld Shipping and Logistics Limited;<br>• Transworld Shipping and Logistics W.L.L., Qatar;<br>• Transworld Shipping, Trading and Logistics Services LLC, Oman; and<br>• Transworld Terminals Private Limited. |
| ***Name***: Gopalakrishnan Nanjundaeswaran<br><br>***Designation***: Additional Director – Strategic Finance<br><br>***Address***: 401, Gangatower, 4th Floor, Atur Park, Sion, Trombay Road, Chembur, Mumbai 400 071<br><br>***Occupation***: Senior Financial Advisor<br><br>***Nationality***: Indian<br><br>***Term***: To hold office up to the next Annual General Meeting | 65 | Nil. |

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| ***DIN****:* 08112862 | | |
| ***Name***: Captain Leslie Reis<br><br>***Designation****:* Additional Non-Executive Director<br><br>***Address****:* Cordo Villa, 21 DR Peter Das Road Hill Road, Bandra, Mumbai 400 050<br><br>***Occupation****:* Professional<br><br>***Nationality****:* Indian<br><br>***Term****:* To hold office up to the next Annual General Meeting<br><br>***DIN****:* 08106306 | 62 | Nil. |
| ***Name***: Captain Milind Kashinath Patankar<br><br>***Designation****:* Additional Non-Executive Director<br><br>***Address****:* 107, Atharva 1st Floor, 4th Road, Hindu Colony, Dadar, Mumbai 400 014<br><br>***Occupation****:* Professional<br><br>***Nationality****:* Indian<br><br>***Term****:* To hold office up to the next Annual General Meeting<br><br>***DIN****:* 02444758 | 58 | • Maritime Association of Shipowners Shipmanagers and Agents;<br>• The Company of Master Mariners of India; and<br>• Transworld Bulk Carriers (India) Private Limited. |
| ***Name***: Amitabha Jugalkishore Ghosh<br><br>***Designation****:* Independent Director<br><br>***Address****:* Flat No. 32, Mehr Naz 91, Cuffe Parade, Mumbai 400 005<br><br>***Occupation****:* Professional<br><br>***Nationality****:* Indian<br><br>***Term****:* Appointed for a period of five years with effect from August 12, 2014 up to August 11, 2019<br><br>***DIN****:* 00055962 | 87 | • Kesoram Industries Limited;<br>• Orient Paper and Industries Limited;<br>• Shreyas Shipping and Logistics Limited; and<br>• Zenith Fibres Limited. |
| ***Name***: Daniel Trevelyn Joseph<br><br>***Designation****:* Independent Director<br><br>***Address****:* Flat No. 52, 5th Floor, Jasmine CHS Madhusudan Kelkar Marg, Bandra (East) Mumbai 400 051<br><br>***Occupation****:* Professional | 73 | • Keystone Realtors Private Limited;<br>• Shreyas Shipping and Logistics Limited; and<br>• Tata Teleservices (Maharashtra) Limited. |

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| ***Nationality**:* Indian<br><br>***Term**:* Appointed for a period of five years with effect from August 12, 2014 up to August 11, 2019<br><br>***DIN**:* 01716572 | | |
| ***Name**:* Hariharan Krishnier Padmanabhan<br><br>***Designation**:* Independent Director<br><br>***Address**:* Villa - 66/2, Emirates Hill Third, Hattan Villas Dubai, 118 614 AE<br><br>***Occupation**:* Professional<br><br>***Nationality**:* Indian<br><br>***Term**:* Appointed for a period of five years with effect from August 12, 2014 up to August 11, 2019<br><br>***DIN**:* 00214284 | 66 | • Encore Empower Services Private Limited;<br><br>• Encore Techsol Private Limited;<br><br>• Encore Theme Technologies Private Limited; and<br><br>• Mofirst Solutions Private Limited. |
| ***Name**:* Rani Ajit Jadhav<br><br>***Designation**:* Independent Director<br><br>***Address**:* 409, Shalaka Maharshi Karve Road, Cooperage, Mumbai 400 021<br><br>***Occupation**:* Public Administrator and Regulator<br><br>***Nationality**:* Indian<br><br>***Term**:* Appointed for a period of five years with effect from July 21, 2016 up to July 20, 2021<br><br>***DIN**:* 07070938 | 70 | • Merck Limited. |
| ***Name**:* Anil Kumar Gupta<br><br>***Designation**:* Additional Independent Director<br><br>***Address**:* A-82, Sector 46, Gautam Budh Nagar, Noida 201 303<br><br>***Occupation**:* Professional<br><br>***Nationality**:* Indian<br><br>***Term**:* To hold office up to the next Annual General Meeting<br><br>***DIN**:* 00066328 | 61 | • AAI Cargo Logistics & Allied Services Company Limited;<br><br>• Apollo Logisolutions Limited; and<br><br>• Punjab State Container and Warehousing Corporation Limited. |
| ***Name***: Maya Swaminathan Sinha<br><br>***Designation**:* Additional Independent Director | 59 | • Airasia (India) Limited;<br><br>• Clear Maze Consulting Private Limited;<br><br>• CMC Skills Private Limited; |

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| ***Address:*** Flat No. 8, Sangam Building, BPT Colony, Dumayne Road, Colaba, Mumbai 400 005<br><br>***Occupation:*** Professional<br><br>***Nationality:*** Indian<br><br>***Term:*** To hold office up to the next Annual General Meeting<br><br>***DIN:*** 03056226 | | • Ensemble Infrastructure India Limited.<br><br>• Flemingo Travel Retail Limited;<br><br>• G R Infraprojects Limited;<br><br>• Mitcon Consultancy and Engineering Services Limited;<br><br>• Shreyas Shipping and Logistics Limited;<br><br>• Shriram City Union Finance Limited; and<br><br>• Tata Boeing Aerospace Limited. |

(1) *He was appointed as Executive Chairman with effect from April 1, 2018. His appointment as Executive Chairman is subject to approval of our Shareholders.*
(2) *He was appointed as Managing Director with effect from March 1, 2018. His appointment as Managing Director is subject to approval of our Shareholders.*
(3) *He was appointed as Joint Managing Director with effect from April 1, 2018. His appointment as Joint Managing Director is subject to approval of our Shareholders.*

**Relationship between our Directors**

Except Ramakrishnan Sivaswamy Iyer who is the father of Ritesh Sivaswamy Ramakrishnan, none of our Directors are related to each other.

**Brief biographies of Directors**

**Ramakrishnan Sivaswamy Iyer** is the Executive Chairman of our Company. He holds a bachelor's degree in commerce from the University of Mumbai. Currently, he is enrolled in the Owner/President Management Program at Harvard Business School. He has over 39 years of experience in the shipping and logistics industry. Previously, he has been associated with Shreyas Shipping and Logistics Limited in the capacity of its chairman and managing director. In 2011, he received 'The Maritime Personality of the Year' award at the Maritime and Logistics Awards. In 2012, he received the 'Logistics CEO of the Year' award at the Indian CEO Awards. In 2013, he received the 'Logistics CEO of the Year' award at the CEO Awards, 2013. He was also named as one of the 'Top 100 Indian Leaders in the UAE' by Forbes, Middle East in 2013. His name was also included in the list of 'Top Indian Leaders in the Arab World' in 2014, 2015 and 2016 and in the list of 'Top 100 Indian Business Owners in the Arab World 2018' by Forbes, Middle East. He has been a Director on our Board since March 17, 1994.

**Sundaresan Varadarajan** is the Managing Director of our Company. He holds a bachelor's degree in science from the University of Madras and a bachelor's and a master's degree in commerce from Osmania University. He also holds post graduate diplomas in financial management and taxation laws from Annamalai University. He has over 35 years of experience in the shipping and logistics industry. Previously, he has been associated with Meridian Shipping Agency Private Limited, SRS Freight Management Limited, Vadhyar Offshore Services and Chettinad Cement Corporation Limited in various capacities. He has been a Director on our Board since June 15, 2017.

**Ritesh Sivaswamy Ramakrishnan** is the Joint Managing Director of our Company. He holds a bachelor's degree in science from Purdue University, USA and has received a certificate for attending the Galbraith's Shipping Course from Galbraith's Limited. He also attended the Programme for Leadership Development at Harvard Business School in 2017. He has eight years of experience in the shipping and logistics industry. Currently, he is also serving as a member of YPO Dubai Downtown Chapter. He was named as one of the 'Top Indian Leaders: The Next Generation 2018' and 'Top Indian Leaders 2017: The Next Generation', in 2018 and 2017, respectively, by Forbes, Middle East. He was also recognised as a 'Global Next Generation Business Leader' in the Lloyds List in 2015. He has been a Director on our Board since May 30, 2012.

**Gopalakrishnan Nanjundaeswaran** is an Additional Director – Strategic Finance of our Company. He holds a bachelor's degree in commerce from the University of Kerala. He is also a certified fellow chartered accountant from The Institute of Chartered Accountants of India and a certified fellow company secretary from the Institute of Company Secretaries of India. He has over 37 years of experience in the commercial, operational, governance and financial aspect of shipping and logistics industry. Previously, he has been associated with Gokak Patel Volkart Limited, Assotex Engineering Industries Limited, Chemosyn Private Limited, Raknor Private Limited, Alltek Emirates Limited, Virginia Industries Limited, Senator Lines R.C. Limited, Hanjin Shipping India Private Limited, ABG LDA Bulk Handling Private Limited and International Cargo Terminals and Infrastructure Private Limited, in various capacities. He has been a Director on our Board since May 1, 2018.

**Captain Leslie Reis** is an Additional Non-Executive Director of our Company. He has passed the pre-professional engineering examination from the University of Poona. He has been awarded a certificate of competency as a master on a foreign going ship in relation to the Merchant Navy by the Government of India. He has over 44 years of experience in the Shipping industry. Previously, he has been associated with the Shipping Corporation of India Limited, Gokak Patel Volkark Limited and Container Movement (Bombay) Transport Private Limited in various capacities. He has been a Director on our Board since May 24, 2018.

**Captain Milind Kashinath Patankar** is an Additional Non-Executive Director of our Company. He has been awarded a certificate of competency as extra master in relation to the Merchant Navy by the Government of India. He is a certified fellow of the Institute of Chartered Shipbrokers and The Nautical Institute, United Kingdom. He is a member, fellow member and director of The Company of Master Mariners of India. He is also a member of the Shipping, Transport & Logistic Committee of the Bombay Chamber of Commerce and Industry. He has over 30 years of experience in the maritime sector. Previously, he has been associated with the KC Maritime group, Orient Express Ship Management Limited, the Shipping Corporation of India Limited and Transworld Bulk Carriers (India) Private Limited in various capacities. Currently, he is also on the board of the Maritime Association of Shipowners Shipmanagers and Agents and the Maritime Training and Research Foundation. He has been a Director on our Board since May 24, 2018.

**Amitabha Jugalkishore Ghosh** is an Independent Director of our Company. He is a certified chartered accountant from the Institute of Chartered Accountants of India. He has over 50 years of experience in the Banking sector. Previously, he has been associated with Allahabad Bank as its chairman and managing director and with the Reserve Bank of India as its Governor and Deputy Governor. He has also served as chairman of the Reserve Bank of India Services Board. He has been a Director on our Board since May 24, 2006.

**Daniel Trevelyn Joseph** is an Independent Director of our Company. He holds a bachelor's degree in arts and a master's degree in English literature from the University of Madras. He also holds a master's degree in economics from the University of Manchester. He is a retired Indian Administrative Services Officer. He has over 37 years of experience in the field of public administration in India. Previously, he has served the Government of India and Government of Maharashtra in various capacities including Director General of Shipping. He has been associated with the Advisory Council of Sea Bird Health Foundation in the capacity of its chairman. He has been a Director on our Board since July 31, 2009.

**Hariharan Krishnier Padmanabhan** is an Independent Director of our Company. He holds a bachelor's degree in technology (civil engineering) from the Indian Institute of Technology, Kanpur. He has over 22 years of experience in the information technology industry. Previously, he has been associated with 3i Infotech in various capacities. He has been a Director on our Board since April 16, 2013.

**Rani Ajit Jadhav** is an Independent Director of our Company. She holds a bachelor's degree in arts (political science) from Utkal University and a diploma in development administration from the University of Birmingham and is a retired Indian Administrative Services Officer. She has over 42 years of experience in the field of public administration in India. Previously, she has been associated with the Mumbai Port Trust and the Tariff Authority for Major Ports as their chairperson. She has been a Director on our Board since February 12, 2016.

**Anil Kumar Gupta** is an Additional Independent Director of our Company. He holds a bachelor's degree and a master's degree in arts (economics) from the University of Delhi. He also holds a master's degree in philosophy (economics) from the University of Delhi and a post graduate diploma in management from the Management Development Institute, Gurgaon. He has over 35 years of experience in the transportation sector. Previously, he has been associated with the Container Corporation of India as its chairman and managing director and with the Indian Railways. He has been a Director on our Board since November 13, 2017.

**Maya Swaminathan Sinha** is an Additional Independent Director of our Company. She holds a bachelor's degree and a master's degree in arts (economics) from University of Delhi. She has over 32 years of experience, including 28 years in the civil services. Previously, she has been associated with the Indian Revenue Services in various capacities. She has also served as a Deputy Chairman of Jawaharlal Nehru Port Trust. In 2013, she set up a consultancy firm, Clear Maze Consulting Private Limited. She has been a Director on our Board since April 26, 2018.

**Confirmations**

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on BSE or NSE.

None of our Directors is, or was a director of any listed company which has been, or was delisted from any recognised stock exchange during the terms of their directorship in such company.

None of our Directors have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

None of our Directors have committed any violation of securities laws in the past and no such proceedings, initiated by SEBI or otherwise, are pending against any Director. No consideration either in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested, by any person, either to induce any director to become, or help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

**Terms of appointment of Executive Directors**

**Ramakrishnan Sivaswamy Iyer** was appointed as our Executive Chairman, pursuant to the resolution passed by our Board on April 26, 2018, with effect from April 1, 2018 for a period of five years. Ramakrishnan Sivaswamy Iyer is not entitled to any remuneration.

**Sundaresan Varadarajan** was appointed as our Managing Director, pursuant to the resolution passed by our Board on February 26, 2018, with effect from March 1, 2018 for a period of five years. Sundaresan Varadarajan is entitled to remuneration including, perquisites and allowances up to ₹ 13 million per annum including the Company's contribution to provident fund and leave travel allowance. Further, Sundaresan Varadarajan is entitled to perquisites such as transportation/ conveyance facilities, leave encashment, gratuity, medical reimbursements, personal accident/ mediclaim insurance, entertainment and other expenses incurred on an actual basis for the purpose of the Company's business and any other expenses incurred in the performance of duties on behalf of the Company.

**Ritesh Sivaswamy Ramakrishnan** was appointed as our Joint Managing Director, pursuant to the resolution passed by our Board on April 26, 2018, with effect from April 1, 2018 for a period of five years. Ritesh Sivaswamy Ramakrishnan is entitled to remuneration including, perquisites and allowances up to ₹ 9 million per annum including the Company's contribution to provident fund and leave travel allowance. Further, Ritesh Sivaswamy Ramakrishnan is entitled to perquisites such as transportation/ conveyance facilities, leave encashment, gratuity, medical reimbursements, personal accident/ mediclaim insurance, entertainment and other expenses incurred on an actual basis for the purpose of the Company's business and any other expenses incurred in the performance of duties on behalf of the Company.

**Gopalakrishnan Nanjundaeswaran** was appointed as our Additional Director – Strategic Finance, pursuant to the resolution passed by our Board on April 26, 2018, with effect from May 1, 2018 for a period of two years. Gopalakrishnan Nanjundaeswaran is entitled to remuneration including, perquisites and allowances up to ₹ 7.5 million per annum including the Company's contribution to provident fund and leave travel allowance. Further, Gopalakrishnan Nanjundaeswaran is entitled to perquisites such as transportation/ conveyance facilities, leave encashment, gratuity, medical reimbursements, personal accident/ mediclaim insurance, entertainment and other expenses incurred on an actual basis for the purpose of the Company's business and any other expenses incurred in the performance of duties on behalf of the Company.

Except as disclosed in this Draft Red Herring Prospectus, there are no contracts appointing or fixing the remuneration of the Executive Directors of our Company entered into within, or more than the last two years before the date of this Draft Red Herring Prospectus.

**Payment or benefit to Directors of our Company**

Pursuant to a resolution passed by the Board on April 24, 2018, each Director (other than the Managing Director and the Executive Directors) is entitled to receive a sitting fees of ₹ 50,000 per meeting for attending meetings of the Board, ₹ 30,000 per meeting for attending meetings of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, and ₹ 20,000 for attending meetings of the Corporate Social Responsibility Committee.

*Remuneration to Non-Executive Directors, including Independent Directors:*

The sitting fees paid to the Non-Executive Directors during Fiscal 2018 are set forth in the table below:

| Name of the Director | Sitting fees (in ₹ million) | Commission (in ₹ million) | Total (in ₹ million) |
|---|---:|:---:|---:|
| Amitabha Jugalkishore Ghosh | 0.58 | - | 0.58 |
| Daniel Trevelyn Joseph | 0.59 | - | 0.59 |
| Hariharan Krishnier Padmanabhan | 0.20 | - | 0.20 |
| Rani Ajit Jadhav | 0.25 | - | 0.25 |
| Anil Kumar Gupta | 0.08 | - | 0.08 |

*Remuneration to Executive Directors:*

Other than our Executive Chairman, Ramakrishnan Sivaswamy Iyer, who was paid ₹ 0.26 million our Managing Director, Sundaresan Varadarajan who was paid ₹ 10.01 million and our Joint Managing Director, Ritesh Sivaswamy Ramakrishnan who was paid ₹ 0.71 million, none of our other current Executive Directors were on our Board in Fiscal 2018, and accordingly no remuneration was paid to them in Fiscal 2018.

**Arrangement or understanding with major shareholders, customers, suppliers or others**

There is no arrangement or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of the senior management.

**Shareholding of Directors in our Company**

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares.

Except for three Equity Shares held by Ramakrishnan Sivaswamy Iyer jointly with Shreyas Shipping and six Equity Shares held by Ritesh Sivaswamy Ramakrishnan jointly with Shreyas Shipping, none of our other Directors hold any Equity Shares in our Company, as on the date of filing of this Draft Red Herring Prospectus.

**Interest of Directors**

All our Non-Executive Directors, including the Independent Directors, may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses payable to them under our Articles of Association, as approved by our Board. Our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid for services rendered as officers of our Company.

None of our Directors are interested in the promotion of our Company, except in the ordinary course of business.

Further, our Directors have no interest in any property acquired within two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company. Except as stated in "*Related Party Transactions*" beginning on page 199 and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

No amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors.

No loans have been availed by our Directors or Key Management Personnel from our Company.

Other than as disclosed under "- *Terms of appointment of Executive Directors*" and "- *Payment or Benefit to Directors of our Company*" each beginning on page 173, none of our Directors are parties to any bonus or profit sharing plan of our Company.

Except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

**Changes in our Board in the last three years**

| Name | Date of appointment/ change/cessation | Reason for change |
|---|---|---|
| Rani Ajit Jadhav | February 10, 2016 | Vacation of office due to absence from Board meetings |
| Anand Krishnan | February 11, 2016 | Resigned as Non-Executive Director |
| Rani Ajit Jadhav | February 12, 2016 | Appointed as an Additional Director |
| Sivaswamy Mahesh | December 1, 2016 | Resigned as Non-Executive Director |
| Sundaresan Varadarajan | June 15, 2017(1) | Appointed as Additional Executive Director |
| Anil Kumar Gupta | November 13, 2017 | Appointed as an Additional Independent Director |
| Varadharajan Ramnarayan | February 21, 2018 | Resigned as an Executive Director |
| Sundaresan Varadarajan | March 1, 2018 | Appointed as Managing Director |
| Ritesh Sivaswamy Ramakrishnan | April 1, 2018 | Appointed as Joint Managing Director |
| Ramakrishnan Sivaswamy Iyer | April 1, 2018 | Appointed as Executive Chairman |
| Maya Swaminathan Sinha | April 26, 2018 | Appointed as Additional Independent Director |
| Ragothaman Sethumadhava Rao | April 26, 2018 | Resigned as an Independent Director |
| Gopalakrishnan Nanjundaeswaran | May 1, 2018 | Appointed as an Additional Director – Strategic Finance |
| Captain Milind Kashinath Patankar | May 24, 2018 | Appointed as Additional Non-Executive Director |
| Captain Leslie Reis | May 24, 2018 | Appointed as Additional Non-Executive Director |

*(1) The Shareholders approved appointment as the Executive Director on August 16, 2017.*

**Borrowing powers of Board**

In accordance with the provisions of the Articles of Association, the Board may, borrow or raise any monies required for the purpose of our Company upon such terms and in such manner with or without security as it may determine. In this regard, our Company, at its meeting of the Board dated April 26, 2018 has, resolved that subject to the provisions of the Companies Act, 2013 including without limitation Section 180(1)(c) of the Companies Act, 2013 and the rules and regulations issued thereunder, the Board is authorised to borrow money for the purpose of the business of our Company up to an amount of USD 100 million.

**Corporate governance**

The Corporate Governance provisions of the Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof, and formulation and adoption of policies. 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.

Our Board functions either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board detailed reports on its performance periodically.

Currently, our Board has four Executive Directors, two Non-Executive Directors and six Independent Directors, of which two are women directors.

**Committees of the Board**

In addition to the committees of the Board detailed below, our Board may, from time to time, constitute committees for various functions.

***Audit Committee***

The members of the Audit Committee are:

1. Amitabha Jugalkishore Ghosh (Independent Director), *(chairman)*;
2. Rani Ajit Jadhav (Independent Director);
3. Daniel Trevelyn Joseph (Independent Director);
4. Ritesh Sivaswamy Ramakrishnan (Joint Managing Director); and
5. Sundaresan Varadarajan (Managing Director).

The Audit Committee was constituted by a meeting of our Board held on March 15, 2010 and last re-constituted on April 26, 2018. The terms of reference of the Audit Committee were revised pursuant to Board resolution passed on April 26, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations, and its terms of reference include the following:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

    (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 and modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of our Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval of any transactions of the Company with Related Parties, including any subsequent modifications thereof;

k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;

l) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances and providing for adequate safeguards against victimisation of such directors and employees;

m) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

n) 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;

o) Discussion with internal auditors on any significant findings and follow up thereon;

p) 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;

q) 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;

r) Looking 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;

s) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

t) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

u) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and

v) Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters/letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Hariharan Krishnier Padmanabhan (Independent Director) *(chairman)*;

2. Anil Kumar Gupta (Additional Independent Director);

3. Ramakrishnan Sivaswamy Iyer (Executive Chairman); and

4. Daniel Trevelyn Joseph (Independent Director).

The Nomination and Remuneration Committee was constituted by a meeting of our Board held on May 22, 2012 and was last reconstituted by our Board at their meeting held on April 26, 2018. The terms of reference of the Nomination and Remuneration Committee were revised pursuant to a resolution passed by the Board on April 26, 2018. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulating the criteria for evaluation of independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) 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 (Prohibition of Insider Trading) Regulations, 2015; or

    (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

l) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by such committee

***Stakeholders' Relationship Committee***:

The members of the Stakeholders' Relationship Committee are:

1. Daniel Trevelyn Joseph (Independent Director) (*chairman*);

2. Maya Swaminathan Sinha (Additional Independent Director); and

3. Sundaresan Varadarajan (Managing Director).

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on April 26, 2018. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference are as follows:

a) Considering and resolving grievances of security holders of the Company, including complaints related to transfer of securities, non-receipt of annual report and non-receipt of declared dividends;

b) Investigating complaints relating to allotment of securities, approval of transfer or transmission of shares, debentures or any other securities;

c) Issuing duplicate certificates and new certificates on split/consolidation/renewal;

d) Overseeing the performance of the registrars and transfer agents of the Company and recommending measures for overall improvement in the quality of investor services; and

e) Carrying out any other function as may be decided by the board of directors or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

***Corporate Social Responsibility Committee***

The members of the Corporate Social Responsibility Committee are:

1. Ramakrishnan Sivaswamy Iyer (Executive Chairman) *(Chairman)*;

2. Daniel Trevelyn Joseph (Independent Director); and

3. Maya Swaminathan Sinha (Additional Independent Director).

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on February 11, 2015 and last reconstituted by the Board at their meeting held on April 26, 2018. The terms of reference of the Corporate Social Responsibility Committee were revised pursuant to Board resolution passed on April 26, 2018. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

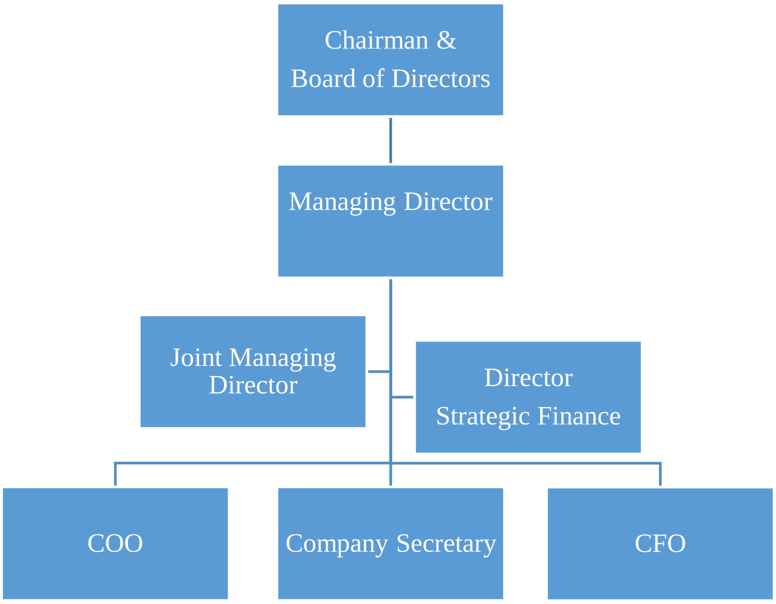
d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

**Management Organisation Chart**




**Key Management Personnel**

The details of the Key Management Personnel of our Company are as follows:

**Ramakrishnan Sivaswamy Iyer**, **Sundaresan Varadarajan**, **Ritesh Sivaswamy Ramakrishnan** and **Gopalakrishnan Nanjundaeswaran** are Executive Chairman, Managing Director, Joint Managing Director and Additional Director – Strategic Finance are Executive Directors of our Company. For further details, see "*Brief Biographies of Directors*" beginning on page 171. For details of compensation paid to them, see "*Payment or Benefit to Directors of our Company*" on page 173.

**Sanjay Bohra** is the Chief Financial Officer of our Company. He is a certified Chartered Accountant from Institute of Chartered Accountants of India. He has over 14 years of experience in the field of accounting. He has been associated with our Company since February 20, 2018. He has received compensation of ₹ 0.72 million from our Company in Fiscal 2018.

**Namrata Malushte** is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in commerce from the University of Mumbai. She is also a certified company secretary from the Institute of Company Secretaries of India. She has over 15 years of experience in the corporate secretarial field. She has been associated with our Company since May 8, 2018. She has not received any compensation from our Company in Fiscal 2018 since she was appointed on May 8, 2018.

Except Ramakrishnan Sivaswamy Iyer who is the father of Ritesh Sivaswamy Ramakrishnan, none of our Key Management Personnel are related to each other.

All our Key Management Personnel are permanent employees of our Company.

**Shareholding of Key Management Personnel**

Except for three Equity Shares held by Ramakrishnan Sivaswamy Iyer jointly with Shreyas Shipping and six Equity Shares held by Ritesh Sivaswamy Ramakrishnan jointly with Shreyas Shipping, none of our Key Management Personnel hold any Equity Shares in our Company.

**Bonus or profit sharing plans**

None of our Key Management Personnel are party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Key Management Personnel.

**Interests of Key Management Personnel**

Our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any.

Except for three Equity Shares held by Ramakrishnan Sivaswamy Iyer jointly with Shreyas Shipping and six Equity Shares held by Ritesh Sivaswamy Ramakrishnan jointly with Shreyas Shipping, none of our Key Management Personnel have been paid any consideration of any nature from our Company or Subsidiaries on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of the senior management.

**Changes in the Key Management Personnel**

The changes in the Key Management Personnel in the last three years are as follows:

| Name | Designation | Date of change | Reason for change |
|---|---|---|---|
| Laxman Vasandani | Company Secretary | August 30, 2016 | Resignation |
| Nikita Singh | Company Secretary | November 15, 2016 | Appointment |
| Sundaresan Varadarajan | Chief Executive Officer | June 15, 2017 | Appointment |
| Rajna Ganesh | Chief Financial Officer | January 31, 2018 | Resignation |
| Sanjay Bohra | Chief Financial Officer | February 20, 2018 | Appointment |
| Sundaresan Varadarajan | Chief Executive Officer | March 1, 2018 | Resignation |
| Sundaresan Varadarajan | Managing Director | March 1, 2018 | Appointment |
| Ramakrishnan Sivaswamy Iyer | Executive Chairman | April 26, 2018 | Appointment |
| Ritesh Sivaswamy Ramakrishnan | Joint Managing Director | April 26, 2018 | Appointment |
| Gopalakrishnan Nanjundaeswaran | Additional Director - Strategic Finance | May 1, 2018 | Appointment |
| Nikita Singh | Company Secretary | May 7, 2018 | Resignation |
| Namrata Malushte | Company Secretary and Compliance Officer | May 8, 2018 | Appointment |

**Payment or Benefit to officers of our Company**

No amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel within the two years preceding the date of filing of this Draft Red Herring Prospectus.

**Employees Stock Options**

For details in relation to the employee stock option plan of our Company, see "*Capital Structure – ESOP Scheme 2018* " on page 78.

## OUR PROMOTERS AND PROMOTER GROUP

***Our Promoters***

The Promoters of our Company are:

1. Transworld Holdings;

2. Shreyas Shipping;

3. Ramakrishnan Sivaswamy Iyer;

4. Geeta Ramakrishnan;

5. Ritesh Sivaswamy Ramakrishnan; and

6. Anisha Ramakrishnan.

As on the date of this Draft Red Herring Prospects, Transworld Holdings holds 25,428,150 Equity Shares and Shreyas Shipping jointly with six individuals holds 10,500,000 Equity Shares in our Company, representing 70.78% and 29.22%, respectively, of the issued and paid-up Equity Share capital of our Company.

***Details of our Promoters***

1. **Transworld Holdings**

***Corporate information***

Transworld Holdings was incorporated on March 25, 1994 in Mauritius as a private company limited by shares. Transworld Holdings is an investment holding company. The registered office of Transworld Holdings is located at IFS Court, Bank Street, 28, Cybercity, Ebene 72201, Mauritius.

***Board of directors of Transworld Holdings***

The following table sets forth details of the board of directors of Transworld Holdings as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of the director | Designation |
|---|---|---|
| 1. | Ramakrishnan Sivaswamy Iyer | Director |
| 2. | Geeta Ramakrishnan | Director |
| 3. | Ritesh Sivaswamy Ramakrishnan | Director |
| 4. | Zakir Hussein Niamut | Independent Director |
| 5. | Shah Ahmud Khalil Peerbocus | Independent Director |

***Shareholding pattern of Transworld Holdings***

The authorised share capital of Transworld Holdings is US$ 20,000,000 divided into 20,000,000 equity shares of face value of US$ 1 each.

The shareholding pattern of Transworld Holdings as on the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name of shareholders | Number of equity shares of US$ 1 each | Percentage of total equity share capital of Transworld Holdings (%) |
|---|---|---|---|
| 1. | Ramakrishnan Sivaswamy Iyer | 8,000,000 | 40 |
| 2. | Geeta Ramakrishnan | 8,000,000 | 40 |
| 3. | Ritesh Sivaswamy Ramakrishnan | 2,000,000 | 10 |
| 4. | Anisha Ramakrishnan | 2,000,000 | 10 |
| | **Total** | **20,000,000** | **100** |

*Promoters of Transworld Holdings*

The promoters of Transworld Holdings are Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Ritesh Sivaswamy Ramakrishnan and Anisha Ramakrishnan.

*Changes in the management and control*

There has been no change in the management and control of Transworld Holdings in the three years immediately preceding the date of this Draft Red Herring Prospectus.

2. **Shreyas Shipping**

***Corporate information***

Shreyas Shipping was originally incorporated as Shreyas Shipping Company Private Limited. Shreyas Shipping is engaged in the business of, *inter alia*, coastal shipping transportation. Shreyas Shipping is a pioneer and market leader in domestic coastal container shipping services and coastal transhipment services covering major ports and container terminals on the Indian coast. Shreyas Shipping also pioneered domestic multimodal transportation in India and it continues to command its premier position till date. It is a preferred partner of most main line operators for EXIM transhipment services at various Indian ports.

The registered office of Shreyas Shipping is located at 4th Floor, Himalayas, Geetmala Building, Near Shah Industrial Estate, Off Deonar Village Road, Govandi (East), Mumbai 400 088.

The equity shares of Shreyas Shipping are listed on BSE and NSE.

***Board of directors of Shreyas Shipping***

The following table sets forth details of the board of directors of Shreyas Shipping as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of the director | Designation |
|---|---|---|
| 1. | Ramakrishnan Sivaswamy Iyer | Chairman |
| 2. | Vivek Kumar Singh | Managing director |
| 3. | Leonard Basil Culas | Non-executive director |
| 4. | Ritesh Sivaswamy Ramakrishnan | Non-executive director |
| 5. | Sastish Pillania | Non-executive director |
| 6. | Ragothaman Sethumahadeva Rao | Independent director |
| 7. | Daniel Trevelyn Joseph | Independent director |
| 8. | Mannil Venogopalan | Independent director |
| 9. | Maya Swaminathan Sinha | Independent director |
| 10. | Manmohan Saggi | Independent director |
| 11. | Deepak Shetty | Independent director |

***Shareholding pattern of Shreyas Shipping***

The authorised share capital of Shreyas Shipping is ₹ 380,000,000 divided into ₹ 240,000,000 comprising 24,000,000 equity shares of face value of ₹ 10 each and ₹ 140,000,000 comprising 1,400,000 non-convertible, cumulative, redeemable preference shares of ₹ 100 each.

The shareholding pattern of Shreyas Shipping as on March 31, 2018 is as follows:

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid up equity shares held (IV) | Number of Partly paid-up equity shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+ C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class eg: Equity Shares | Class eg: Others | Total | | | | | | | | |
| (A) | Promoter and Promoter Group | 17 | 16,083,095 | Nil | NA | 16,083,095 | 73.25 | 16,083,095 | Nil | 16,083,095 | 73.25 | NA | NA | | NA | | NA | 16,083,095 |
| (B) | Public | 14,437 | 5,874,438 | Nil | NA | 5,874,438 | 26.25 | 5,874,438 | Nil | 5,874,438 | 26.75 | NA | NA | | Nil | | Nil | 5,386,012 |
| (C) | Non Promoter-Non Public | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA | NA | | Nil | | Nil | Nil |
| (C1) | Shares underlying DRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA | NA | | Nil | | Nil | Nil |
| (C2) | Shares held by Employee Trusts | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA | NA | | Nil | | Nil | Nil |
| | **Total** | **14,454** | **21,957,533** | **Nil** | **Nil** | **21,957,533** | **100** | **21,957,533** | **Nil** | **21,957,533** | **100** | **NA** | **NA** | | **Nil** | | **Nil** | **21,469,107** |

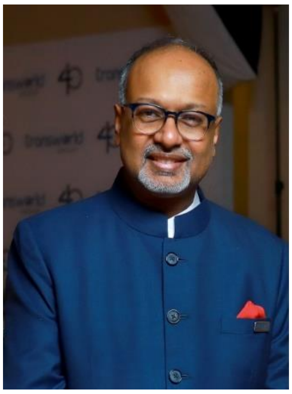
*Promoters of Shreyas Shipping*

The promoters of Shreyas Shipping are Transworld Holdings, Ramakrishnan Sivaswamy Iyer and V. Ramnarayan. Shreyas Shipping is in the process of de-classifying V. Ramnarayan as a promoter of the company.

*Changes in the management and control*

There has been no change in the management and control of Shreyas Shipping in the three years immediately preceding the date of this Draft Red Herring Prospectus.

1.



**Ramakrishnan Sivaswamy Iyer**, aged 57, is a citizen of India. He is the Executive Chairman of our Company. For further details, see "*Our Management*" on page 171.

His driving license number is 259479. His voter identification number is IYV1758515.

2.

**Geeta Ramakrishnan**, aged 54, resides at 12A, Thakur Niwas, JN Tata Road, Mumbai 400 020. She holds a bachelor's degree in science (chemistry) from the University of Bombay and a diploma in human resources studies from the School of Industrial and Labour Relations, Cornell University, New York. She is a member of the Institute of Chartered Shipbrokers, United Kingdom. She has 29 years of experience in the shipping and logistics industry. She serves as a director on the boards of TW Ship Management Private Limited, Transworld Shipping Agencies Private Limited and Transworld Feeders Private Limited.

Her driving license number is 268640. Her voter identification number is IYV1579440.

3.

**Ritesh Sivaswamy Ramakrishnan**, aged 31, is a citizen of India. He is the Joint Managing Director of our Company. For further details, see "*Our Management*" on page 171.

His driving license number is 874848. His voter identification number is IYV3120904.

4.

**Anisha Ramakrishnan**, aged 27, is a citizen of India. She resides at 12A, Thakur Niwas, JN Tata Road, Mumbai 400 020. She holds a bachelor's degree in arts (international affairs) from the College of Social Sciences and Humanities, Northeastern University, Boston, Massachusetts and a master's degree in science (shipping, trade and finance) from the City University, London. She has 2 years of experience in the shipping and logistics industry. In 2018, she was recognised as one of the 'Top Indian Leaders: The Next Generation 2018' by Forbes, Middle East.

Her driving license number is 1454828. She does not have a voter identification number.

Our Company confirms that the permanent account numbers, bank account numbers, the company registration number and the addresses of the registrar of companies where Shreyas Shipping is registered and such equivalent information in case of

Transworld Holdings shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of our individual Promoters shall be submitted to the Stock Exchanges at the time of filings of this Draft Red Herring Prospectus with the Stock Exchanges.

**Interests of our Promoters**

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company, directly and indirectly, and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure - History of the Equity Share capital held by our Promoters*" on pages 73 and 74. Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Ramakrishnan Sivaswamy Iyer is the Executive Chairman of our Company and Ritesh Sivaswamy Ramakrishnan is the Joint Managing Director of our Company and they may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them. For further details, see "*Our Management*" beginning on page 166.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested as a member of a company, and no sum has been paid or agreed to be paid to our Promoters or to such company in cash or shares or otherwise by any person for services rendered by our Promoters or by such company in connection with the promotion or formation of our Company.

The directors of our Promoters who have been appointed on our Board are interested in our Company to the extent of their remuneration, sitting fees and commission, as the case may be. For further details, see *"Our Management"* beginning on page 166.

Our Promoters are not related to any sundry debtors of our Company.

Our Promoters are not interested in transactions related to any property acquired by our Company in the two years preceding the date of filing of this Draft Red Herring Prospectus, or proposed to be acquired by our Company, as a vendor of the property or otherwise.

Our Promoters are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Transworld Holdings is not our original Promoter and has acquired shareholding in our Company in Fiscal 2017 pursuant to the Avana Global SPA. For further details, see *"History and Certain Corporate Matters – Summary of key agreements - Share Purchase Agreement dated March 20, 2017 entered into between Avana Global, our Company and Transworld Holdings"* on page 162.

**Payment of benefits to our Promoters**

Except in the ordinary course of business and as disclosed in "*Related Party Transactions*" on page 199, our Company has not entered into any contract, agreements or arrangements during the two immediately preceding years, nor does our Company propose to enter into any such contract, arrangement or agreements in which our Promoters are directly or indirectly interested and no payments or benefits are intended to be made to them or have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them as on the date of this Draft Red Herring Prospectus.

**Disassociation by our Promoters in the immediately preceding three years**

None of our Promoters have disassociated themselves from any companies during the three immediately preceding years.

**Confirmations**

None of our Promoters or members of the Promoter Group have been declared as wilful defaulters, as defined under the SEBI ICDR Regulations.

None of our Promoters or members of the Promoter Group have been prohibited from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not and have not been promoters, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

**Promoter Group**

Details of the Promoter Group of our Company are set forth below:

***Natural Persons forming part of the Promoter Group***

The persons forming part of the Promoter Group who are related to our Promoters (other than our Promoters) are as follows:

1. Amit Krishnan;
2. Anand Krishnan;
3. Bhageerathi Iyer;
4. Chandrika Gala;
5. Dipesh Gala;
6. Radha Krishnan;
7. Riddhi Gala; and
8. Upasana Gala.

Pursuant to the memorandum of understanding dated March 23, 2018 entered into between Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan, Ritesh Sivaswamy Ramakrishnan and Anisha Ramakrishnan, our individual Promoters (the "**Individual Promoters**") with Mahesh Sivaswamy (brother of Ramakrishnan Sivaswamy Iyer) and Mala Mahesh Iyer (sister of Geeta Ramakrishnan and wife of Mahesh Sivaswamy) ("**Immediate Relatives**") and a separate gift deed dated May 1, 2018 with Laxmi Subramanian (sister of Ramakrishnan Sivaswamy Iyer), ("**Disassociation Documents**"), certain commonly owned and controlled entities have been agreed to be (i) transferred from the Individual Promoters to the Immediate Relatives; (ii) wound up; and (iii) merged with other entities controlled by the Immediate Relatives ("**Disassociated Entities**"). Further, the list of entities as disclosed in "*Our Group Companies*" beginning on page 188, does not include the names of certain of the Disassociated Entities which form part of the Group Companies in terms of the SEBI ICDR Regulations. The list of Promoter Group below does not include the Immediate Relatives or entities in which they may have any direct or indirect interest as of the date of this Draft Red Herring Prospectus.

Our Company is not in a position to obtain necessary information and confirmations as required from the "Promoter Group" and "Group Companies", from the Immediate Relatives and the Disassociated Entities for inclusion in this Draft Red Herring Prospectus, in light of the disassociation of our Company from the Immediate Relatives. Accordingly, our Company has filed an exemption application with SEBI in this regard.

***Entities forming part of the Promoter Group***

1. 7SixFive Services Private Limited;
2. Balaji Shipping Company SA Panama;
3. BSL Freight Solutions Private Limited;
4. Encore Pierian Logistics Business Services Limited;
5. Hayleylines Limited;
6. K's Worldwide;
7. Orient Express Lines Inc.;
8. Orient Express Ship Management Limited;
9. Shreyas Suzue Logistics (I) Private Limited;
10. Sivaswamy Holdings Private Limited;
11. Transworld Shipping & Logistics WLL;
12. Transworld Bulk Carriers FZCO;

13. Transworld Containers Holding Inc.;
14. Transworld Feeders FZCO;
15. Transworld Logistics & Shipping Pte Limited;
16. Transworld Logistics & Shipping Services Inc.;
17. Transworld Logistics FZE;
18. Transworld Logistics Limited;
19. Transworld Logistics Partners Limited;
20. Transworld Movers (Pte) Limited;
21. Transworld Projects FZE;
22. Transworld Shipping & Logistics (Cyprus) Limited;
23. Transworld Shipping & Logistics Limited; and
24. TW Ship Management Private Limited.

## OUR GROUP COMPANIES

Pursuant to resolution dated June 6, 2018, our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies shall include companies covered under applicable accounting standards and such other companies as considered material by our Board. Our Board has approved that for the purpose of disclosure in connection with the Issue, a company shall be considered material and disclosed as a Group Company if a material adverse change in such company, can lead to a material adverse effect on our Company, its revenues and profitability. Accordingly, our Board has considered companies (i) which contribute 5% or more to the revenue or the net worth of our Company as per the Restated Consolidated Financial Statements, and (ii) in which our Company or our Promoters hold 10% or more of the share capital. Pursuant to the aforesaid resolution, our Board has approved that other than companies which constitute part of the related parties of our Company in accordance with the applicable accounting standards as per the Restated Consolidated Financial Statements for Fiscal 2018 (except such companies that are consolidated in accordance with the applicable accounting standard and our Promoters), there are no material group companies.

Accordingly, we have set out below the details of our Group Companies which have also been disclosed in this Draft Red Herring Prospectus in "*Financial Statements*" beginning on page 201.

The following companies are our Group Companies:

1. 7SixFive Services Private Limited;
2. Balaji Shipping Company SA Panama;
3. BSL Freight Solutions Private Limited;
4. Clarion Shipping Private Limited;
5. Encore Pierian Logistics Business Services Limited;
6. Hayleylines Limited;
7. K's Worldwide;
8. Lanka Orient Express Lines Limited;
9. Orient Express Lines Inc.;
10. Orient Express Ship Management Limited;
11. Shreyas Suzue Logistics (I) Private Limited;
12. Sivaswamy Holdings Private Limited;
13. SRS Freight Management Limited;
14. Transworld Bulk Carriers FZCO;
15. Transworld Bulk Carriers (I) Private Limited;
16. Transworld Containers Holding Inc;
17. Transworld Feeders FZCO;
18. Transworld Logistics & Shipping Pte Limited;
19. Transworld Logistics & Shipping Services Inc;
20. Transworld Logistics FZE;
21. Transworld Logistics Limited;
22. Transworld Logistics Partners Limited;
23. Transworld Movers (Pte) Limited;
24. Transworld Projects FZE;

25. Transworld Shipping & Logistics (Cyprus) Limited;

26. Transworld Shipping Agencies Private Limited;

27. Transworld Shipping and Logistics Limited;

28. Transworld Shipping & Logistics WLL;

29. Transworld Suzue FZCO; and

30. TW Ship Management Private Limited.

Our Promoters have disassociated with certain entities which form part of our Group Companies in terms of the SEBI ICDR Regulations and names of such entities have not been included in the above list. Accordingly, our Company has filed an exemption application with SEBI in this regard. For further details, see "*Our Promoter and Promoter Group – Promoter Group*" on page 186.

***A. The details of the top five Group Companies***

The details of our top five Group Companies (based on turnover), are provided below:

1. **BSL Freight Solutions Private Limited**

*Corporate Information*

BSL Freight Solutions Private Limited ("**BSL Freight**") was incorporated October 24, 2015. BSL Freight is engaged in the business of providing agency services.

*Interest of the Promoters*

Transworld Holdings holds 980,000 equity shares, amounting to 98% and Ritesh Sivaswamy Ramakrishnan jointly with Transworld Feeders FZCO holds 20,000 equity shares, amounting to 2% of the total issued and paid up equity share capital of BSL Freight.

*Financial Performance*

The following table sets forth details of the audited financial results of BSL Freight for Fiscal 2017 and 2016:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015* |
|---|---|---|---|
| Equity Capital | 10 | 10 | - |
| Reserves (excluding revaluation reserves) and Surplus | (43.99) | 1.26 | - |
| Sales/ Turnover | 2,042.33 | 461.89 | - |
| Profit/(Loss) after Tax | (45.25) | 1.26 | - |
| EPS (basic) (in ₹) | (45.25) | 1.26 | - |
| EPS (diluted) (in ₹) | (45.25) | 1.26 | - |
| Net asset value per share (in ₹) | (33.99) | 11.26 | - |

* *BSL Freight was incorporated in Fiscal 2015.*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

2. **Transworld Feeders FZCO**

*Corporate Information*

Transworld Feeders FZCO ("**Transworld Feeders**") was incorporated on July 10, 2004 as a limited liability free-zone company with the name Orient Express Lines FZCO, in UAE. Subsequently, the name of the company was changed to Transworld Feeders FZCO on July 17, 2016. Transworld Feeders is engaged in business of feeder service/ship operation.

*Interest of the Promoters*

Transworld Holdings holds 499,999 equity shares amounting to 99.99% and Ramakrishnan Sivaswamy Iyer holds 1 equity share amounting to 0.01% of the total issued and paid up equity share capital of Transworld Feeders.

*Financial Performance*

The following table sets forth details of the audited financial results of Transworld Feeders for Fiscal 2017, 2016 and 2015:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Equity Capital | 8.82 | 8.82 | 8.82 |
| Reserves (excluding revaluation reserves) and Surplus | 627.79 | 1,172.87 | 1,037.22 |
| Sales/ Turnover | 3,714.47 | 3,845.26 | 4,749.53 |
| Profit/(Loss) after Tax | 21.63 | 71.76 | 200.08 |
| EPS (basic) (in ₹) | 43.26* | 14,351,402.20 | 40,016,717.88 |
| EPS (diluted) (in ₹) | 43.26* | 14,351,402.20 | 40,016,717.88 |
| Net asset value per share (in ₹) | 1,273.23* | 236,374,389.62 | 209,140,405.92 |

* *Pursuant to the share split in Fiscal 2017 from DHS 100000 to DHS 1 per share.*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

3. **SRS Freight Management Limited**

*Corporate Information*

SRS Freight Management Limited ("**SRS Freight**") was incorporated on April 3, 1980. SRS Freight is engaged in business of freight forwarding by air and sea.

*Interest of the Promoters*

Ramakrishnan Sivaswamy Iyer and Ritesh Sivaswamy Ramakrishnan hold 4,468 equity shares and 1,375 equity shares respectively, amounting to 8% of the total issued and paid up equity share capital of SRS Freight.

*Financial Performance*

The following table sets forth details of the audited financial results of SRS Freight for Fiscal 2017, 2016 and 2015:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Equity Capital | 7.05 | 7.05 | 7.05 |
| Reserves (excluding revaluation reserves) and Surplus | 19.56 | 15.15 | 7.45 |
| Sales/ Turnover | 122.07 | 181.35 | 240.95 |
| Profit/(Loss) after Tax | 4.42 | 7.70 | 7.46 |
| EPS (basic) (in ₹) | 65.24 | 109.31 | 364.55 |
| EPS (diluted) (in ₹) | 65.24 | 148.08 | 143.35 |
| Net asset value per share (in ₹) | 377.69 | 315.00 | 205.68 |

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

4. **Orient Express Lines Inc.**

*Corporate Information*

Orient Express Lines Inc. ("**OEL**") was incorporated on March 22, 1983. OEL is engaged in business of vessel owning.

*Interest of the Promoters*

Transworld Holdings holds 30 equity shares amounting to 100% of the total issued and paid up equity share capital of OEL.

*Financial Performance*

The following table sets forth details of the audited financial results of OEL for Fiscal 2017, 2016 and 2015:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Equity Capital | 194.58 | 194.58 | 194.58 |
| Reserves (excluding revaluation reserves) and Surplus | 3,221.70 | 3,133.24 | 2,649.13 |
| Sales/ Turnover | 1,390.61 | 1,439.64 | 1,280.27 |
| Profit/(Loss) after Tax | 150.79 | 320.93 | 218.62 |
| EPS (basic) (in ₹) | 5,026,243.28 | 10,697,705.06 | 7,287,266.66 |
| EPS (diluted) (in ₹) | 5,026,243.28 | 10,697,705.06 | 7,287,266.66 |
| Net asset value per share (in ₹) | 113,875,912 | 111,058,839.90 | 94,537,816.66 |

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

**5. Transworld Logistics FZE**

*Corporate Information*

Transworld Logistics FZE ("**TLFZE**") was incorporated on May 11, 2003 as limited liability free-zone establishment, in UAE. TLFZE is engaged in the business of logistics.

*Interest of the Promoters*

Transworld Holdings holds 10 equity shares amounting to 100% of the total issued and paid up equity share capital of TLFZE.

*Financial Performance*

The following table sets forth details of the audited financial results of TLFZE for Fiscal 2017, 2016 and 2015:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Equity Capital | 176.73 | 176.73 | 176.73 |
| Reserves (excluding revaluation reserves) and Surplus | (169.39) | (175.26) | (171.72) |
| Sales/ Turnover | 1,075.43 | 1,068.75 | 812.43 |
| Profit/(Loss) after Tax | 2.38 | 7.04 | 2.05 |
| Earnings per share (basic) (in ₹) | 238,356.49 | 704,051.83 | 205,432.98 |
| Earnings per share (diluted) (in ₹) | 238,356.49 | 704,051.83 | 205,432.98 |
| Net asset value per share (in ₹) | 734,118.53 | 505,830.45 | (186,719.85) |

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

***B. Group Companies having negative net-worth***

Except BSL Freight and the following companies, none of our Group Companies have negative net worth:

**1. 7SixFive Services Private Limited**

*Corporate Information*

7SixFive Services Private Limited ("**7SixFive**") was incorporated on November 20, 2014. 7SixFive is engaged in the business of telecommunication services.

*Interest of the Promoters*

Ritesh Sivaswamy Ramakrishnan holds 25,000 equity shares amounting to 50% of the total issued and paid up equity share capital of 7SixFive.

*Financial Performance*

The following table sets forth details of the audited financial results of 7SixFive for Fiscal 2017, 2016 and 2015:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Equity Capital | 0.50 | 0.50 | 0.10 |
| Reserves (excluding revaluation reserves) and Surplus | (1.02) | (0.28) | (0.01) |

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Sales/ Turnover | - | - | - |
| Profit/(Loss) after Tax | (0.74) | (0.28) | (0.01) |
| Earnings per share (basic) (in ₹) | (73.90) | (27.84) | (0.57) |
| Earnings per share (diluted) (in ₹) | (73.90) | (27.84) | (0.57) |
| Net asset value per share (in ₹) | (10.46) | 4.32 | 9.43 |

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

**2. Encore Pierian Logistics Business Services Limited**

*Corporate Information*

Encore Pierian Logistics Business Services Limited ("**Encore Pierian**"), was incorporated on October 18, 2011. Encore Pierian is engaged in the business of back office operations.

*Interest of the Promoters*

Transworld Holdings holds 578,070 equity shares amounting to 65% of the total issued and paid up equity share capital of Encore Pierian.

*Financial Performance*

The following table sets forth details of the audited financial results of Encore Pierian for Fiscal 2017, 2016 and 2015:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Equity Capital | 8.78 | 8.78 | 7.53 |
| Reserves (excluding revaluation reserves) and Surplus | (14.89) | (11.67) | (12.58) |
| Sales/ Turnover | 136.73 | 124.76 | 94.89 |
| Profit/(Loss) after Tax | (3.22) | (0.34) | (11.39) |
| Earnings per share (basic) (in ₹) | (2.71) | (0.41) | (19.72) |
| Earnings per share (diluted) (in ₹) | (2.71) | (0.41) | (19.72) |
| Net asset value per share (in ₹) | (6.96) | (3.29) | (6.70) |

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

**3. Transworld Bulk Carriers FZCO**

*Corporate Information*

Transworld Bulk Carriers FZCO ("**TBCFZCO**"), was incorporated on July 2, 2012 as a limited liability free-zone company, in UAE. TBCFZCO is engaged in the business of vessel commercial management.

*Interest of the Promoters*

Transworld Holdings holds 5 equity shares amounting to 100% of the total issued and paid up equity share capital of TBCFZCO.

*Financial Performance*

The following table sets forth details of the audited financial results of TBCFZCO for Fiscal 2017, 2016 and 2015:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Equity Capital | 8.76 | 8.76 | 8.76 |
| Reserves (excluding revaluation reserves) and Surplus | (63.79) | (65.26) | (56.40) |
| Sales/ Turnover | 23.68 | 16.68 | - |
| Profit/(Loss) after Tax | 0.17 | (5.38) | (25.42) |
| Earnings per share (basic) (in ₹) | 33,351 | (1,076,444) | (5,083,565) |
| Earnings per share (diluted) (in ₹) | 33,351 | (1,076,444) | (5,083,565) |
| Net asset value per share (in ₹) | (11,007,378) | (11,265,424) | (9,597,779) |

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

**4. Transworld Projects FZE**

*Corporate Information*

Transworld Projects FZE ("**TW Projects**") was incorporated on August 13, 2012 as a limited liability free zone establishment, in UAE. TW Projects is engaged in the business of project logistics.

*Interest of the Promoters*

Transworld Holdings holds 1 equity share amounting to 100% of the total issued and paid up equity share capital of TW Projects.

*Financial Performance*

The following table sets forth details of the audited financial results of TW Projects for Fiscal 2017, 2016 and 2015:

*(in ₹ million, except per share data)*

| Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|
| Equity Capital | 17.67 | 17.67 | 17.67 |
| Reserves (excluding revaluation reserves) and Surplus | (56.75) | (56.95) | (62.72) |
| Sales/ Turnover | - | 10.59 | 24.58 |
| Profit/(Loss) after Tax | (0.94) | 9.63 | (9.88) |
| Earnings per share (basic) (in ₹) | (936,051.74) | 9,632,724.41 | (9,883,30207) |
| Earnings per share (diluted) (in ₹) | (936,051.74) | 9,632,724.41 | (9,883,302.07) |
| Net asset value per share (in ₹) | (39,074,120.55) | (38,914,236.72) | (45,730,093.03) |

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three Fiscals.

***C. Other Group Companies***

**1. Balaji Shipping Company SA Panama**

*Corporate Information*

Balaji Shipping Company SA Panama ("**Balaji SA**") was incorporated on February 22, 1983 in Panama. Balaji SA is engaged in the business of vessel owning.

*Interest of the Promoters*

Transworld Holdings holds 100 equity shares amounting to 100% of the total issued and paid up share capital of Balaji SA.

**2. Clarion Shipping Private Limited**

*Corporate Information*

Clarion Shipping Private Limited ("**Clarion Shipping**"), was incorporated on June 13, 2008 as limited a liability company, in Sri Lanka. Clarion Shipping is engaged in the business of ship agency.

*Interest of the Promoters*

Our Promoters do not hold any equity shares of the total issued and paid up equity share capital of Clarion Shipping.

**3. Hayleylines Limited**

*Corporate Information*

Hayleylines Limited ("**Hayleylines**"), was incorporated on September 12, 2003 as a limited liability company, in Sri Lanka. Hayleylines is engaged in the vessel owning business.

*Interest of the Promoters*

Transworld Holdings holds 3,847,000 equity shares amounting to 34% of the total issued and paid up equity share capital of Hayleylines.

**4. Lanka Orient Express Lines Limited**

*Corporate Information*

Lanka Orient Express Lines Limited ("**Lanka Orient Express**") was incorporated on October 24, 2008 as a limited liability company, in Sri Lanka. Lanka Orient Express is engaged in the business of ship agency.

*Interest of the Promoters*

Our Promoters do not hold any equity shares of the total issued and paid up equity share capital of Lanka Orient Express.

**5. Shreyas Suzue Logistics (I) Private Limited**

*Corporate Information*

Shreyas Suzue Logistics (I) Private Limited ("**SSLPL**") was incorporated on September 12, 2017 in Mumbai. SSLPL is engaged in the business of air freight and sea freight forwarding activity.

*Interest of the Promoters*

Shreyas Shipping holds 500,000 equity shares amounting to 50% of the total issued and paid up equity share capital of SSLPL.

**6. Sivaswamy Holdings Private Limited**

*Corporate Information*

Sivaswamy Holdings Private Limited ("**SHPL**") was incorporated on June 21, 1990. SHPL is engaged in the business of rental and leasing services of immovable properties.

*Interest of the Promoters*

Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan and Ritesh Sivaswamy Ramakrishnan hold 125,000 equity shares, 137,500 equity shares and 62,500 equity shares, respectively, amounting to 50% of the total issued and paid up equity share capital of SHPL.

**7. K's Worldwide**

*Corporate Information*

K's Worldwide, was incorporated on February 16, 2011. K's Worldwide is engaged in the business of investing in various special purpose vehicles.

*Interest of the Promoters*

Ramakrishnan Sivaswamy Iyer holds 5,300,000 equity shares amounting to 50% of the total issued and paid up equity share capital of K's Worldwide.

**8. Orient Express Ship Management Limited**

*Corporate Information*

Orient Express Ship Management Limited ("**OESML**"), was incorporated on June 4, 1998. OESML is engaged in the business of maintenance of ships and crew management of OEL and Shreyas Shipping.

*Interest of the Promoters*

Shreyas Shipping, Ramakrishnan Sivaswamy Iyer and Geeta Ramakrishnan hold 15,000 equity shares, 10,000 equity shares and 4,990 equity shares, respectively, amounting to 30% of the total issued and paid up equity share capital of OESML.

9. **Transworld Bulk Carrier (I) Private Limited**

*Corporate Information*

Transworld Bulk Carrier (I) Private Limited ("**TBCPL**"), was incorporated on January 10, 2013. TBCPL is engaged in the business of commercial management of bulk carrier.

*Interest of the Promoters*

Ritesh Sivaswamy Ramakrishnan holds 1 equity share amounting to 0.01 % of the total issued and paid up equity share capital of TBCPL.

**10. Transworld Containers Holding Inc.**

*Corporate Information*

Transworld Containers Holding Inc. ("**TW Containers**"), was incorporated on April 15, 2015. TW Containers is engaged in the container owning business.

*Interest of the Promoters*

Transworld Holdings holds 100 equity shares amounting to 100% of the total issued and paid up equity share capital of TW Containers.

**11. Transworld Logistics Limited**

*Corporate Information*

Transworld Logistics Limited ("**TLL**") was incorporated on July 21, 1993 as a private limited company with the name Transworld Logistics Private Limited, Chennai. Subsequently, the name of the company was changed to TLL as a result of change in the status of the company from a private company to a public limited company on September 26, 2006. TLL is engaged in the business of freight forwarding and break bulk vessel operating.

*Interest of the Promoters*

Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan and Ritesh Sivaswamy Ramakrishnan hold 500 equity shares, 500 equity shares and 550 equity shares, respectively, amounting to 31% of the total issued and paid up equity share capital of TLL.

**12. Transworld Logistics & Shipping Pte Limited**

*Corporate Information*

Transworld Logistics & Shipping Pte Limited ("**TLSPL**") was incorporated on June 21, 2017 as a private limited company, in Singapore. TLSPL is engaged in the business of feeder service.

*Interest of the Promoters*

Transworld Holdings holds 100 equity shares amounting to 100% of the total issued and paid up equity share capital of TLSPL.

**13. Transworld Movers (Pte) Limited**

*Corporate Information*

Transworld Movers (Pte) limited ("**TW Movers**") was incorporated on June 1, 1973 as a private limited company, in Sri Lanka. TW Movers is engaged in the business of moving and packing.

*Interest of the Promoters*

Transworld Holdings holds 40 equity shares amounting to 40% of the total issued and paid up equity share capital of TW Movers.

14. **Transworld Shipping and Logistics Limited**

*Corporate Information*

Transworld Shipping and Logistics Limited ("**TSLL**"), a public limited company, was incorporated on December 31, 1977 as a private limited company with the name Transworld Shipping Services (India) Private Limited, in Mumbai. Subsequently, the name of the company was changed to Transworld Shipping and Logistics Limited as a result of change in the status of the company from a private company to a public limited company on March 5, 2008. TSLL is engaged in the agency business of Principal Ignasia-Masina H.P.A.

*Interest of the Promoters*

Ramakrishnan Sivaswamy Iyer, Geeta Ramakrishnan and Ritesh Sivaswamy Ramakrishnan hold 7,500 equity shares, 2,500 equity shares and 5,250 equity shares, respectively, amounting to 31% of the total issued and paid up equity share capital of TSLL.

15. **Transworld Logistics & Shipping Services Inc.**

*Corporate Information*

Transworld Logistics & Shipping Services Inc. ("**TLSS**") was incorporated on April 8, 2002 as a corporation, in the United States of America. TLSS is engaged in the business of freight forwarding.

*Interest of the Promoters*

Transworld Holdings holds 200 equity shares amounting to 100% of the total issued and paid up equity share capital of TLSS.

16. **Transworld Logistics Partners Limited**

*Corporate Information*

Transworld Logistics Partners Limited ("**Transworld Partners**") was incorporated on May 13, 2016. Transworld Partners is engaged in the business of being a logistics holding company.

*Interest of the Promoters*

Transworld Holdings holds 1,000 equity shares amounting to 100% of the total issued and paid up equity share capital of Transworld Partners.

17. **Transworld Shipping Agencies Private Limited**

*Corporate Information*

Transworld Shipping Agencies Private Limited ("**TSAPL**") was incorporated on December 10, 2015 as a private limited company, in Mumbai. TSAPL is engaged in the business of liner agency.

*Interest of the Promoters*

Ritesh Sivaswamy Ramakrishnan hold 100 equity shares amounting to 0.05% equity shares of the total issued and paid up equity share capital of TSAPL.

18. **Transworld Shipping and Logistics (Cyprus) Limited**

*Corporate Information*

Transworld Shipping and Logistics (Cyprus) Limited ("**TSL Cyprus**") was incorporated on June 2, 2017 as a limited liability company, in Cyprus. TSL Cyprus is engaged in the business of vessel owning.

*Interest of the Promoters*

Transworld Holdings holds 1,000 equity shares amounting to 100% of the total issued and paid up equity share capital of TSL Cyprus.

**19. Transworld Shipping & Logistics WLL**

*Corporate Information*

Transworld Shipping & Logistics WLL ("**TSLWLL**") was incorporated on November 1, 2015. TSLWLL is engaged in the business of liner agency.

*Interest of the Promoters*

Transworld Holdings holds 490,000 equity shares amounting to 49% of the total issued and paid up equity share capital of TSLWLL.

**20. Transworld Suzue FZCO**

*Corporate Information*

Transworld Suzue FZCO ("**TW Suzue**") was incorporated on August 17, 2017 as a limited liability free zone company, in UAE. TW Suzue is engaged in the business of freight forwarding.

*Interest of the Promoters*

Transworld Holdings holds 3 equity shares amounting to 50% of the total issued and paid up equity share capital of TW Suzue.

**21. TW Ship Management Private Limited**

*Corporate Information*

TW Ship Management Private Limited ("**TSMPL**") was incorporated on December 17, 2015 as a private limited company, in Mumbai. TSMPL is engaged in the business of vessel commercial management.

*Interest of the Promoters*

Ramakrishnan Sivaswamy Iyer and Ritesh Sivaswamy Ramakrishnan hold 100,000 equity shares each, amounting to 100% of the total issued and paid up equity share capital of TSMPL.

**Nature and Extent of Interest of Group Companies**

***In the promotion of our Company***

None of our Group Companies have any interest in the promotion of our Company.

***In the properties acquired or proposed to be acquired by our Company in the past two years prior to filing this Draft Red Herring Prospectus***

None of our Group Companies is interested in the properties acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus, or proposed to be acquired.

***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

***Business interest of Group Companies***

Except in the ordinary course of business as disclosed in "*Financial Statements*" beginning on page 201, none of our Group Companies have any business interest in our Company.

**Common Pursuits between our Group Companies and our Company**

There are no common pursuits among any of our Group Companies and our Company.

**Loss making Group Companies**

*(in ₹ million)*

| Name of Group Company | Profit / (loss) | | |
|---|---|---|---|
| | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
| 7Sixfive | (0.74) | (0.28) | (0.01) |
| BSL Freight* | (45.25) | 1.26 | - |
| Encore Pierian | (3.22) | (0.34) | (11.39) |
| OESML | (8.68) | 0.84 | 0.15 |
| TSAPL* | (1.15) | (0.03) | - |
| TSLWLL* | (28.48) | - | - |
| TW Movers | (2.97) | (2.56) | (3.79) |
| TW Projects | (0.94) | 9.63 | (9.88) |

[1] *Incorporated in Fiscal 2015.*

**Defunct Group Companies**

None of our Group Companies remain defunct and no application has been made to the relevant registrar of companies for striking off the name of any of our Group Companies, during the five years preceding the date of this Draft Red Herring Prospectus.

**Group Companies which are sick industrial companies**

None of our Group Companies fall under the definition of sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.

**Related business transactions within the Group Companies and significance on the financial performance of our Company**

For details, see "*Financial Statements*" beginning on page 201.

**Sale/purchase between the Group Companies and our Company**

Our Company is not involved in any sales or purchases with any of our Group Companies where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company except as disclosed in "*Financial Statements*" beginning on page 201.

**Other Confirmations**

(a) No equity shares of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

(b) None of our Group Companies is under winding up or have been declared as insolvent.

(c) None of our Group Companies have been debarred or prohibited from accessing the capital market for any reasons by SEBI or any other authorities.

(d) None of our Group Companies have been identified as wilful defaulters in terms of the SEBI ICDR Regulations.

# RELATED PARTY TRANSACTIONS

For details of related party transactions during the last five Fiscals, as per the requirements under Indian Accounting Standard 24 "Related Party Disclosures", see "*Financial Statements – Restated Consolidated Financial Statements – Annexure XXIV"* and "*Financial Statements – Restated Standalone Financial Statements – Annexure XXIV*" beginning on pages 246 and 308, respectively.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, applicable legal restrictions and the overall financial position of our Company. Our Company has no formal dividend policy.

The amounts paid as dividends in the past are not necessarily indicative of dividend amounts, if any, in the future. For details of risks in relation to our capability to pay dividend, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements and capital expenditures*" on page 29.

The details of dividend paid by our Company on Equity Shares in the last five Fiscals are given below:

| Particulars | For the year ended March 31, 2018(1) | For the year ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|---|---|---|---|---|
| Number of Equity Shares outstanding | 11,976,050 | 11,976,050 | 3,500,000 | 3,500,000 | 3,500,000 |
| Dividend per Equity Share (₹) | 1.50 | - | 1.00 | 0.70 | - |
| Rate of dividend (%) | 15(2) | - | 10.00 | 7.00 | - |
| Dividend paid net of taxes (₹ million) | 5.42 | - | 3.50 | 2.45 | - |
| Tax on above dividend (₹ million) | 1.10 | - | 0.71 | 0.49 | - |

*(1) Dividend at the rate of 15% has been proposed for Fiscal 2018 amounting to ₹ 17.96 million, excluding dividend distribution tax to be paid to our Shareholders whose name appear in the register of members of our Company as July 20, 2018.*
*(2) Dividend on 8,476,050 equity shares was paid on pro-rata basis for equity shares issued during the year ended March 31, 2017.*

The details of dividend paid by our Company on Preference Shares in the last five Fiscals are given below:

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|---|---|---|---|---|
| Number of Preference Shares | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Dividend per Preference Share (₹) | 8.35 | 9.5 | 9.5 | 9.5 | 9.5 |
| Rate of dividend on Preference Share (%) | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 |
| Total dividend on Preference Share (₹ million) | 8.35 | 9.5 | 9.5 | 9.5 | 9.5 |
| Dividend Tax (₹ million) | 1.71 | 1.93 | 1.93 | 1.93 | 1.61 |

## SECTION V: FINANCIAL INFORMATION

## FINANCIAL STATEMENTS


| Financial Statements | Page no. |
|---|---|
| Statutory Auditor’s report on Restated Consolidated Financial Statements | 202 |
| Statutory Auditor’s report on Restated Standalone Financial Statements | 274 |

**INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors
Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited)
4th Floor, Himalayas
Geetmala Complex
Near Shah Industrial Estate
Govandi – East, Mumbai – 400 088.

Dear Sirs,

1. We have examined, as appropriate (read with paragraphs 8, 9 and 10 below), the attached Restated Consolidated Financial Information of Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) (the "Company") and its subsidiaries (collectively known as the "Group") which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income) and Restated Consolidated Summary Statement of Changes in Equity for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Restated Consolidated Summary Statements of Cash Flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Summary of Significant Accounting Policies and notes thereto (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on June 6, 2018 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Group for the purpose set out in paragraph 14 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

   Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 4, 2018 in connection with the proposed IPO of equity shares of the Company;

   b) The Guidance Note; and

   c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information.

4. These Restated Consolidated Financial Information have been compiled by the management from:

   a) Audited consolidated financial statements of the Group as at and for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time which have been approved by the Board at their meeting held on May 24, 2018.

   b) Audited consolidated financial statements of the Group as at and for the year ended March 31, 2017 prepared in accordance with the Ind AS which have been approved by the Board at their meeting held on May 24, 2018.

   The Restated Consolidated Financial Information also contains the proforma consolidated Ind AS financial information as at and for the years ended March 31, 2016, 2015 and 2014. These proforma consolidated Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP consolidated financial statements as at and for the years ended March 31, 2016, 2015 and 2014 which have been approved by the Board of Directors at their meetings held on May 24, 2018, May 26, 2015 and May 26, 2014 respectively as described in Note 3.1 of Annexure V.

5. The audit report on the special purpose consolidated financial statements issued by previous auditors were modified and included following qualifications on the financial statements as at and for the year ended March 31, 2016:

The Company has paid a custom duty of Rs. 12.44 millions in respect of containers leased by them from other parties and there is unrecognised expenditure of Rs. 11.10 millions as of March 31, 2016. The Company is charging off this amount over the remaining period of lease which is not in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. Due to this Short term Loans and Advances are overstated by Rs. 1.71 millions, Long term Loans and Advances are overstated by Rs. 9.39 millions; expenditure is understated & profit before tax for the year is overstated by 11.10 millions. Profit after tax and Reserves is overstated by Rs. 7.43 millions.

Further, in respect of report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, it included following qualification in respect of a material weakness identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2016:

The Company did not have appropriate internal controls in the area of financial closing process and is in the process of implementing them (as they existed in the old software till December 31, 2015) in the Oracle ERP software to which financial accounting has been moved with effect from January 1, 2016 and is being handled by an outsourced agency.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2016 special purpose consolidated financial statements of the Group and the material weakness does not affect our opinion on the special purpose consolidated financial statements of the Group.

6. The audit reports on the consolidated financial statements issued by previous auditors included following other matter:

a) We did not audit financial statements of certain subsidiaries, whose share of total assets, total revenues and net cash inflows / (outflows) included in the Consolidated Financial Statements, for the relevant years is tabulated below:

(*Rs. in million*)

| **Particulars** | **As at/ For the year ended March 31, 2017** | **As at/ For the year ended March 31, 2016** | **As at/ For the year ended March 31, 2015** | **As at/ For the year ended March 31, 2014** |
|---|---|---|---|---|
| Total assets | 3,073.58 | 3,314.54 | 2,847.13 | 2,297.76 |
| Total revenue | 4,709.01 | 5,060.27 | 5,191.67 | 4,853.64 |
| Net cash inflow/ (outflow) | (24.38) | (76.21) | (68.58) | 42.20 |

7. The audit report on the Consolidated financial statements issued by us included following other matters:

a) We did not audit the financial statements of five subsidiaries, whose share of total assets, total revenues and net cash inflows included in the Consolidated Financial Statements, for the year ended March 31, 2018 is tabulated below, which have been audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(*Rs. in million*)

| **Particulars** | **As at/For the year ended March 31, 2018** |
|---|---|
| In respect of subsidiaries: | |
| Total assets | 2,807.20 |
| Total revenue | 7,426.46 |
| Net cash outflow | 23.19 |

b) We did not audit the comparative financial information for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS included in these Consolidated Ind AS Financial Statements which have been audited by predecessor auditor and have been relied upon by us. The report of the predecessor auditor on these comparative financial information dated May 24, 2018 expressed an unmodified opinion.

Our report is not modified in respect of these matters.

8. Audit of the consolidated financial statements for the financial years ended March 31, 2017, 2016, 2015 and 2014 were conducted by previous auditors and accordingly reliance has been placed on the consolidated financial information examined by them for the said years. The financial information included for these years, i.e. March 31, 2017, 2016, 2015 and 2014 are based solely on the report submitted by them. The previous auditors have confirmed that the restated consolidated financial information for the above mentioned years:

   a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per current accounting policy for all the reporting periods;

   b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

   c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information;

   d) have been made after giving effect to the qualification mentioned in paragraph 5 above; and

   e) with respect to the proforma consolidated Ind AS financial information as at and for the years ended March 31, 2016, 2015 and 2014, the proforma consolidated Ind AS financial information have been prepared by making appropriate Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2016, 2015 and 2014.

9. Based on our examination, we report that:

   a) The Restated Consolidated Summary Statement of Assets And Liabilities of the Group as at March 31, 2017, 2016, 2015 and 2014 examined and reported upon by the previous auditors on which reliance has been placed by us, and as at March 31, 2018 examined by us, as set out in Annexure I to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Restated Statement of Consolidated Adjustments to the audited consolidated financial statements as set out in Annexure VII.

   b) The Restated Consolidated Summary Statement of Profits and Loss (including other comprehensive income) of the Group for the years ended March 31, 2017, 2016, 2015 and 2014 examined and reported upon by the previous auditors on which reliance has been placed by us, and for the year ended March 31, 2018 examined by us, as set out in Annexure II to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Restated Statement of Consolidated Adjustments to the audited consolidated financial statements as set out in Annexure VII.

   c) The Restated Consolidated Summary Statement of Changes in Equity of the Company for the years ended March 31, 2017, 2016, 2015 and 2014 examined and reported upon by the previous auditors on which reliance has been placed by us, and for the year ended March 31, 2018 examined by us, as set out in Annexure IV to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Restated Statement of Consolidated Adjustments to the audited consolidated financial statements as set out in Annexure VII.

   d) The Restated Consolidated Summary Statement of Cash Flows of the Group for the years ended March 31, 2017, 2016, 2015 and 2014 examined and reported upon by the previous auditors on which reliance has been placed by us, and for the year ended March 31, 2018 examined by us, as set out in Annexure III to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Restated Statement of Consolidated Adjustments to the audited consolidated financial statements as set out in Annexure VII.

   e) Based on the above, according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors for the respective years, we further report that the Restated Consolidated Financial Information:

      a. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per current accounting policy for all the reporting periods;

      b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

      c. do not contain any extra-ordinary items that need to be disclosed separately; and

      d. have been made after giving effect to the qualification mentioned in paragraph 5 above.

10. We have also examined the following restated consolidated other financial information of the Group set out in the following Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on June 6, 2018 for the year ended March 31, 2018. In respect of the years ended March 31, 2017, 2016, 2015 and 2014 these information have been included solely based upon the reports submitted by previous auditors and relied upon by us:

a) Restated Ind AS Consolidated Statement of Property, plant and equipment and Intangible assets included in Annexure VIII

b) Restated Ind AS Consolidated Statement of Investment Property included in Annexure IX

c) Restated Ind AS Consolidated Statement of Investments included in Annexure X

d) Restated Ind AS Consolidated Statement of Cash and Bank balances included Annexure XI

e) Restated Ind AS Consolidated Statement of Other Assets included in Annexure XII

f) Restated Ind AS Consolidated Statement of Trade Receivables included in Annexure XIII

g) Restated Ind AS Consolidated Statement of Share Capital included in Annexure IV.I

h) Restated Ind AS Consolidated Statement of Non-current and Current Borrowings included in Annexure XIV

i) Restated Ind AS Consolidated Statement of Provisions included in Annexure XV

j) Restated Ind AS Consolidated Statement of Tax Expense and Deferred Tax Liabilities (Net) included in Annexure XV.I

k) Restated Ind AS Consolidated Statement of Other Liabilities included in Annexure XVI

l) Restated Ind AS Consolidated Statement of Revenue included in Annexure XVII

m) Restated Ind AS Consolidated Statement of Other Income included in Annexure XVIII

n) Restated Ind AS Consolidated Statement of Freight Expenses and Other Operating Expenses included in Annexure XIX

o) Restated Ind AS Consolidated Statements of Employee Benefit Expense included in Annexure XX

p) Restated Ind AS Consolidated Statements of Other Expenses included in Annexure XXI

q) Restated Ind AS Consolidated Statements of Finance Cost included in Annexure XXII

r) Notes to Restated Ind AS Consolidated Statement of Leases included in Annexure XXIII

s) Restated Ind AS Consolidated Statement of Related Party Transactions included in Annexure XXIV

t) Restated Ind AS Consolidated Statement of Contingent Liabilities and Capital Commitments included in Annexure XXV

u) Consolidated Statement of Capitalisation included in Annexure XXVI

v) Statement of Dividend Paid included in the Annexure XXVII

w) Restated Ind AS Consolidated Statement of Tax Shelter included in Annexure XXVIII

x) Restated Ind AS Consolidated Statement of Accounting Ratios included in Annexure XXIX

y) Notes to Restated Ind AS Consolidated Summary Statements included in Annexure XXX to Annexure XXXVI

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors in our opinion, the Restated Consolidated Financial Information and the above restated consolidated other financial information contained in Annexures I to XXXVI accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings/reclassifications as considered appropriate (Refer Annexure VI and VII) and have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Mumbai in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

Place: **MUMBAI**

Date: June 6, 2018

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure I**
**Restated Ind AS Consolidated Statement of assets and liabilities**

**(Rupees in million, unless otherwise stated)**

| | Annexures | As at | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| (a) Property, plant and equipment | VIII | 1,559.96 | 1,684.78 | 1,856.27 | 1,550.50 | 1,190.08 |
| (b) Investment property | IX | 34.98 | 38.13 | 42.24 | - | - |
| (c) Intangible assets | VIII | 0.84 | 1.08 | 3.03 | 3.25 | 4.63 |
| (d) Intangible assets under development | | 0.79 | - | - | - | - |
| (e) Financial assets | | | - | - | - | - |
| (i) Investments | X | - | - | 11.86 | 1.75 | 1.67 |
| (ii) Other financial assets | XII | 48.88 | 52.21 | 109.91 | 86.36 | 83.36 |
| (f) Income tax assets (net) | | 150.84 | 126.76 | 101.20 | 56.15 | 57.10 |
| (g) Other non-current assets | XII | 0.64 | 0.48 | 0.29 | 0.42 | 0.32 |
| **Total non-current assets** | | **1,796.93** | **1,903.44** | **2,124.80** | **1,698.43** | **1,337.16** |
| **Current assets** | | | | | | |
| (a) Financial assets | | | | | | |
| (i) Investments | X | - | - | 6.97 | 22.61 | - |
| (ii) Trade receivables | XIII | 2,389.43 | 2,242.67 | 1,556.09 | 1,095.72 | 870.41 |
| (iii) Cash and cash equivalents | XI | 234.71 | 118.08 | 116.46 | 132.36 | 184.74 |
| (iv) Bank balances other than cash and cash equivalents | XI | 34.98 | 74.40 | 29.56 | 48.10 | 41.27 |
| (v) Other financial assets | XII | 150.88 | 84.40 | 855.44 | 700.77 | 585.54 |
| (b) Other current assets | XII | 143.65 | 116.12 | 27.50 | 59.44 | 31.08 |
| **Total current assets** | | **2,953.65** | **2,635.67** | **2,592.02** | **2,059.00** | **1,713.04** |
| **Total assets** | | **4,750.58** | **4,539.11** | **4,716.82** | **3,757.43** | **3,050.20** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| (a) Equity share capital | IV.I | 119.76 | 119.76 | 35.00 | 35.00 | 35.00 |
| (b) Other equity | IV.I | 1,396.09 | 911.79 | 1,628.52 | 1,475.03 | 1,166.28 |
| **Equity attributable to owners of the Company** | | 1,515.85 | 1,031.55 | 1,663.52 | 1,510.03 | 1,201.28 |
| Non-controlling interests | IV | 39.55 | 28.32 | 41.49 | 21.85 | 26.52 |
| **Total equity** | | **1,555.40** | **1,059.87** | **1,705.01** | **1,531.88** | **1,227.80** |
| **Liabilities** | | | | | | |
| **Non-current liabilities** | | | | | | |
| (a) Financial liabilities | | | | | | |
| (i) Borrowings | XIV | 374.00 | 556.39 | 829.56 | 569.42 | 377.84 |
| (b) Provisions | XV | 25.93 | 18.22 | 17.74 | 11.56 | 9.08 |
| (c) Deferred tax liabilities (net) | XV.I | 39.11 | 27.17 | 9.75 | 5.63 | 9.16 |
| **Total non-current liabilities** | | **439.04** | **601.78** | **857.05** | **586.61** | **396.08** |
| **Current liabilities** | | | | | | |
| (a) Financial liabilities | | | | | | |
| (i) Borrowings | XIV | 212.44 | 332.51 | 420.87 | 306.19 | 329.62 |
| (ii) Trade payables | XVI | 2,076.48 | 2,092.80 | 1,292.08 | 933.25 | 766.97 |
| (iii) Other financial liabilities | XVI | 234.03 | 302.37 | 267.40 | 230.73 | 225.43 |
| (b) Provisions | XV | 30.22 | 33.56 | 26.70 | 45.32 | 48.29 |
| (c) Other current liabilities | XVI | 193.83 | 111.66 | 143.78 | 117.27 | 53.50 |
| (d) Current tax liabilities (net) | | 9.14 | 4.56 | 3.93 | 6.18 | 2.51 |
| **Total current liabilities** | | **2,756.14** | **2,877.46** | **2,154.76** | **1,638.94** | **1,426.32** |
| **Total equity and liabilities** | | **4,750.58** | **4,539.11** | **4,716.82** | **3,757.43** | **3,050.20** |

Note:
The above statement should be read with the Basis of preparation and Significant accounting plicies appearing in Annexure V of Notes to the Restated Financial Information and Statement of adjustments to the Audited Consolidated Financial Statement appearing in Annexure VII.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of
Avana Logistek Limited

**Sanjiv V Pilgaonkar**
**Partner**
Mumbai,
6th June 2018

**S Ramakrishnan**
Chairman
(DIN: 00057637)

**S Varadarajan**
Managing Director
(DIN: 07850694)

**Namrata Malushte**
Company Secretary
M No.17217

**Sanjay Bohra**
Chief Financial Officer

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure II**
**Restated Ind AS Consolidated Statement of Profit and Loss**

**(Rupees in million, unless otherwise stated)**

| | Particulars | Annexures | For the year ended | | | | |
|---|---|---|---|---|---|---|---|
| | | | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| | **Income** | | | | | | |
| I | Revenue from operations | XVII | 13,990.51 | 10,243.48 | 9,284.88 | 8,873.82 | 7,893.52 |
| II | Other income | XVIII | 74.36 | 82.28 | 49.23 | 56.70 | 56.20 |
| **III** | **Total Income (I + II)** | | **14,064.87** | **10,325.76** | **9,334.11** | **8,930.52** | **7,949.72** |
| **IV** | **Expenses** | | | | | | |
| (a) | Freight expenses | XIX | 9,004.15 | 7,329.71 | 6,558.28 | 6,050.47 | 5,306.42 |
| (b) | Other operating expenses | XIX | 3,310.57 | 1,766.53 | 1,634.14 | 1,671.65 | 1,379.09 |
| (c) | Employee benefits expense | XX | 466.70 | 360.42 | 356.51 | 332.11 | 329.72 |
| (d) | Finance costs | XXII | 82.21 | 108.40 | 104.21 | 100.08 | 106.16 |
| (e) | Depreciation and amortisation expense | VIII | 85.98 | 199.05 | 194.79 | 160.21 | 155.79 |
| (f) | Other expenses | XXI | 491.03 | 377.49 | 369.74 | 289.58 | 278.84 |
| **IV** | **Total Expenses** | | **13,440.64** | **10,141.60** | **9,217.67** | **8,604.10** | **7,556.02** |
| **V** | **Restated Profit before tax (III - IV)** | | **624.23** | **184.16** | **116.44** | **326.42** | **393.70** |
| **VI** | **Tax expense:** | | | | | | |
| | (i) Current tax | XI | 103.71 | 24.89 | 13.17 | 51.13 | 13.47 |
| | (ii) Deferred tax (credit) / charge | | 13.33 | 17.47 | 4.47 | (4.09) | 6.18 |
| **VII** | **Restated Profit for the year (V - VI)** | | **507.19** | **141.80** | **98.80** | **279.38** | **374.05** |
| **VIII** | **Restated Other Comprehensive Income ('OCI')** | | | | | | |
| | (i) Items that will not to be reclassified to profit or loss | | | | | | |
| | (a) Remeasurement gains / (losses) on defined benefit plans | | (4.02) | 0.03 | (1.78) | (0.94) | 0.37 |
| | (b) Income tax effect on above | | 1.39 | (0.01) | 0.57 | 0.32 | (0.12) |
| | (ii) Items that will be reclassified to profit or loss | | | | | | |
| | (a) Foreign exchange translation reserve | | 2.96 | (10.69) | 82.54 | 60.95 | 63.64 |
| **IX** | **Restated Other Comprehensive Income for the year** | | **0.33** | **(10.67)** | **81.33** | **60.33** | **63.89** |
| **X** | **Restated Total Comprehensive Income for the year** | | **507.52** | **131.13** | **180.13** | **339.71** | **437.94** |
| | **Restated profit for the year attributable to:** | | | | | | |
| | - Owners of the Company | | 492.62 | 135.54 | 88.62 | 272.48 | 370.45 |
| | - Non-controlling interests | | 14.57 | 6.26 | 10.18 | 6.90 | 3.60 |
| | | | **507.19** | **141.80** | **98.80** | **279.38** | **374.05** |
| | **Restated Other Comprehensive Income for the year attributable to:** | | | | | | |
| | - Owners of the Company | | 0.22 | (10.05) | 79.61 | 58.83 | 60.16 |
| | - Non-controlling interests | | 0.11 | (0.62) | 1.72 | 1.50 | 3.73 |
| | | | **0.33** | **(10.67)** | **81.33** | **60.33** | **63.89** |
| | **Restated Total Comprehensive Income for the year attributable to:** | | | | | | |
| | - Owners of the Company | | 492.84 | 125.49 | 168.23 | 331.31 | 430.61 |
| | - Non-controlling interests | | 14.68 | 5.64 | 11.90 | 8.40 | 7.33 |
| | | | **507.52** | **131.13** | **180.13** | **339.71** | **437.94** |
| **XI** | **Earnings per equity share of Rs. 5/- each** | | | | | | |
| | (post sub-division of equity shares subsequent to Balance sheet date) | | | | | | |
| | Basic and diluted | XXIX | 13.71 | 3.77 | 2.47 | 7.58 | 10.31 |

Note:
The above statement should be read with the Notes to the Restated Ind AS Consolidated Statements - Accounting Policies - Annexure V, Statement of reconciliation of equity as per previous GAAP and Ind AS - Annexure VI and Statement of Restatement Adjustments to consolidated Financial Statements - Annexure VII.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

**For and on behalf of the Board of**
**Avana Logistek Limited**

**Sanjiv V Pilgaonkar**
**Partner**
Mumbai,

6th June 2018

**S Ramakrishnan**
Chairman
(DIN: 00057637)

**S Varadarajan**
Managing Director
(DIN: 07850694)

**Namrata Malushte**
Company Secretary
M No.17217

**Sanjay Bohra**
Chief Financial Officer

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure III**
**Restated Ind AS Consolidated Statement of Cash Flows**

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | For the years ended March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|---|
| A | **Cash flow from operating activities:** | | | | | |
| | Profit before tax (as restated) | 624.23 | 184.16 | 116.44 | 326.42 | 393.70 |
| | **Adjustments for:** | | | | | |
| | Depreciation and amortisation expense | 85.98 | 199.05 | 194.79 | 160.21 | 155.79 |
| | Interest expense | 82.21 | 108.40 | 103.57 | 98.86 | 105.04 |
| | Premium in redemption of preference shares | - | - | 0.64 | 1.22 | 1.12 |
| | Bad debts written off | 29.68 | 21.73 | 9.55 | 9.36 | 9.24 |
| | Profit on disposal of property, plant and equipment (net) | (26.94) | (7.96) | (16.19) | (7.43) | (16.97) |
| | Interest income | (2.03) | (3.24) | (3.38) | (5.04) | (1.65) |
| | Dividend Income on mutual funds | - | (0.13) | (0.81) | (0.33) | - |
| | | **793.13** | **502.01** | **404.61** | **583.27** | **646.27** |
| | **Movement in working capital** | | | | | |
| | (Increase)/decrease in inventory | | - | - | - | 10.59 |
| | (Increase)/decrease in trade receivables | (177.29) | (745.36) | (447.71) | (209.65) | (108.01) |
| | (Increase)/decrease in other financial assets | 16.79 | 56.77 | 17.95 | 65.76 | (47.74) |
| | (Increase)/decrease in other assets | (28.13) | (94.89) | 33.27 | (25.08) | (0.19) |
| | (Increase)/decrease in trade payables | (13.68) | 828.14 | 333.90 | 137.94 | 147.56 |
| | (Increase)/decrease in other financial liabilities | 27.84 | 56.13 | 4.42 | 1.40 | (7.70) |
| | Increase/(decrease) in provisions | 1.82 | 8.16 | (14.86) | (3.35) | 21.66 |
| | Increase/(decrease) in other liabilities | 82.17 | (29.26) | 23.65 | 62.02 | 17.23 |
| | **Cash flow generated from operations** | **702.65** | **581.70** | **355.23** | **612.31** | **679.67** |
| | Less: Tax paid | (123.21) | (58.09) | (60.75) | (45.82) | (40.20) |
| | **Net cash flow generated from operating activities (A)** | **579.44** | **523.61** | **294.48** | **566.49** | **639.47** |
| B | **Cash flow from investing activities:** | | | | | |
| | Purchase of property, plant and equipment and intangible assets | (14.69) | (43.54) | (90.86) | (468.92) | (19.01) |
| | Sale of property, plant and equipment | 83.61 | 41.15 | 79.74 | 14.22 | 31.78 |
| | Net cash inflow on disposal of a subsidiary | - | 17.49 | - | - | - |
| | (Purchase)/Sale proceeds of investments (net) | - | 13.23 | 5.77 | (22.61) | - |
| | (Advance to)/ repayment from ultimate holding company | (83.27) | 22.31 | (129.37) | (150.28) | (285.90) |
| | Interest income | 4.70 | 2.46 | 2.53 | 4.85 | 1.43 |
| | Dividend Income on Mutual Funds | - | 0.13 | 0.81 | 0.33 | - |
| | Other balances with bank (not forming a part of cash and cash equivalent) | 39.15 | (46.11) | 22.15 | (6.29) | (20.70) |
| | **Net cash generated from / (used in) investing activities (B)** | **29.50** | **7.12** | **(109.23)** | **(628.70)** | **(292.40)** |
| C | **Cash flows from financing activities** | | | | | |
| | Proceeds from borrowings | - | 106.10 | 80.74 | 387.31 | - |
| | Repayment of long term borrowings | (152.85) | (182.29) | (136.76) | (70.27) | (32.80) |
| | Movement in short-term borrowings | 19.93 | (144.32) | 50.25 | (14.63) | (173.47) |
| | Redemption of preference share capital | (100.00) | - | - | - | - |
| | Repayment of finance lease obligations | (115.53) | (212.94) | (155.57) | (135.86) | (82.55) |
| | Proceeds from issue of equity share capital | - | - | - | - | 70.00 |
| | Share issue expenses | (0.57) | (5.33) | - | - | - |
| | Equity dividend including dividend distribution tax | (9.98) | (17.96) | (21.74) | (35.62) | (16.25) |
| | Preference dividends paid including distribution tax | (21.49) | (11.43) | (11.43) | (11.11) | (11.04) |
| | Interest paid | (72.15) | (44.87) | (47.98) | (87.42) | (93.93) |
| | **Net cash flow generated from / (used in) financing activities (C)** | **(452.64)** | **(513.04)** | **(242.49)** | **32.40** | **(340.04)** |
| | **Net (decrease) / increase in cash and cash equivalents (A+B+C)** | **156.30** | **17.69** | **(57.24)** | **(29.81)** | **7.03** |
| | Cash and cash equivalents at the beginning of the year | 62.46 | 47.10 | 98.03 | 122.69 | 107.70 |
| | Exchange difference on translation of foreign currency | 0.07 | (2.33) | 6.31 | 5.15 | 7.96 |
| | **Cash and cash equivalents at the end of the year (see note below)** | **218.83** | **62.46** | **47.10** | **98.03** | **122.69** |

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | March 31, 2018 | For the years ended March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|---|
| | **Components of cash and cash equivalents:** | | | | | |
| | Balance in current accounts | 224.67 | 112.47 | 107.11 | 123.37 | 181.29 |
| | Cash on hand | 4.07 | 3.42 | 0.84 | 2.11 | 1.32 |
| | Cheques on hand | 5.97 | 2.19 | 8.51 | 6.88 | 2.13 |
| | Bank overdraft | (15.88) | (55.62) | (69.36) | (34.33) | (62.05) |
| | **Total** | **218.83** | **62.46** | **47.10** | **98.03** | **122.69** |

**Notes:**

1) The above statement should be read with the Notes to the Restated Ind AS Consolidated Statements - Accounting Policies - Annexure V, Statement of reconciliation of equity as per previous GAAP and Ind AS - Annexure VI and Statement of Restatement Adjustments to consolidated Financial Statements - Annexure VII.

2) The Consolidated Statement of Cash Flow have been prepared under Indirect Method as set out in Ind AS 7 - Statement of Cash Flows notified under Section 133 of the Companies Act, 2013, read together with Companies (Indian Accounting Standard) Rules 2015.

3) Dividend of Rs. 750.37 million declared for F.Y 2016-17 by Avana Global FZCO has been adjusted against advance to the ultimate holding company, (which was then the immediate holding company of Avana Global FZCO).

4) For details of shares issued for consideration other than cash refer Annexure XXXIV(1).

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of
Avana Logistek Limited

**Sanjiv V Pilgaonkar**
Partner
Mumbai,

6th June 2018

**S Ramakrishnan**
Chairman
(DIN: 00057637)

**S Varadarajan**
Managing Director
(DIN: 07850694)

**Namrata Malushte**
Company Secretary
M No.17217

**Sanjay Bohra**
Chief Financial Officer

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure IV**
**Restated Consolidated Statement of Changes in Equity**

**A. Equity Share Capital**

**(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|---|---|
| Opening balance | 119.76 | 35.00 | 35.00 | 35.00 | 25.00 |
| Changes in equity share capital during the year | - | 84.76 | - | - | 10.00 |
| Closing balance | **119.76** | **119.76** | **35.00** | **35.00** | **35.00** |

**B. Other Equity**

**(Rupees in million, unless otherwise stated)**

| | Reserves and Surplus | | | | | | | Other Comprehensive Income | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares pending issuance | Retained earnings | Securities premium | Statutory reserve | Capital reserve on consolidation | Capital redemption reserve | Revaluation reserve | Foreign exchange translations difference | Total attributable to owners of the Company | Non controlling interest | Total |
| **As at 01 April 2013 (Proforma)** | **3,589.01** | **517.63** | **-** | **7.63** | **(3,663.85)** | **-** | **195.36** | **39.64** | **685.42** | **25.69** | **711.11** |
| Profit for the year | - | 370.45 | - | - | - | - | - | - | 370.45 | 3.60 | 374.05 |
| Other comprehensive income | - | 0.25 | - | - | - | - | | 59.91 | 60.16 | 3.73 | 63.89 |
| Recoupment from revaluation reserve | - | 17.35 | | | | | (17.35) | | - | - | - |
| Issue of share capital | - | - | 60.00 | - | - | - | - | - | 60.00 | - | 60.00 |
| Dividend paid | - | (9.75) | - | - | - | - | - | - | (9.75) | (6.50) | (16.25) |
| **Total as at 31 March 2014 (Proforma)** | **3,589.01** | **895.93** | **60.00** | **7.63** | **(3,663.85)** | **-** | **178.01** | **99.55** | **1,166.28** | **26.52** | **1,192.80** |
| Profit for the year | - | 272.48 | - | - | - | - | - | - | 272.48 | 6.90 | 279.38 |
| Other comprehensive income | - | (0.53) | - | - | - | - | | 59.35 | 58.82 | 1.50 | 60.32 |
| Recoupment from revaluation reserve | - | 18.66 | | | | | (18.66) | | - | - | - |
| Dividend paid | - | (22.55) | - | - | - | - | - | - | (22.55) | (13.07) | (35.62) |
| Transferred to statutory reserve | - | (0.27) | - | 0.27 | - | - | - | - | - | - | - |
| **Total as at 31 March 2015 (Proforma)** | **3,589.01** | **1,163.72** | **60.00** | **7.90** | **(3,663.85)** | **-** | **159.35** | **158.90** | **1,475.03** | **21.85** | **1,496.88** |
| Profit for the year | - | 88.62 | - | - | - | - | - | - | 88.62 | 10.18 | 98.80 |
| Other comprehensive income | - | (1.21) | - | - | - | - | | 80.82 | 79.61 | 1.72 | 81.33 |
| Recoupment from revaluation reserve | - | 6.69 | | | | | (6.69) | | - | - | - |
| Dividend paid | - | (14.73) | | | | - | | | (14.73) | (7.01) | (21.74) |
| Conversion of preference shares issued by a subsidiary | - | (0.01) | - | - | - | - | - | - | (0.01) | 14.75 | 14.74 |
| Transferred to statutory reserve | - | (0.63) | - | 0.63 | - | - | - | - | - | - | - |
| **Total as at 31 March 2016 (Proforma)** | **3,589.01** | **1,242.45** | **60.00** | **8.53** | **(3,663.85)** | **-** | **152.66** | **239.72** | **1,628.52** | **41.49** | **1,670.01** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure IV**
**Restated Consolidated Statement of Changes in Equity**
**B. Other Equity**

**(Rupees in million, unless otherwise stated)**

| | Reserves and Surplus | | | | | | Other Comprehensive Income | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Shares pending issuance** | **Retained earnings** | **Securities premium** | **Statutory reserve** | **Capital reserve on consolidation** | **Capital redemption reserve** | **Revaluation reserve** | **Foreign exchange translations difference** | **Total attributable to owners of the Company** | **Non controlling interest** | **Total** |
| Adjustment on first time adoption of IND AS (refer note 3.24) | **-** | **392.38** | | | | **-** | **(152.66)** | **(239.72)** | **-** | | |
| **Total as at 1 April 2016** | **3,589.01** | **1,634.83** | **60.00** | **8.53** | **(3,663.85)** | **-** | **-** | **-** | **1,628.52** | **41.49** | **1,670.01** |
| Profit for the year | - | 135.54 | | | | - | | | 135.54 | 6.26 | 141.80 |
| Other comprehensive income | - | 0.02 | | | | - | | (10.07) | (10.05) | (0.62) | (10.67) |
| Issue of share capital | (3,589.01) | | 3,504.25 | | | - | | | (84.76) | | (84.76) |
| Share issue expenses | - | | (5.33) | | | - | | | (5.33) | | (5.33) |
| Dividend paid | - | (761.14) | | | | - | | | (761.14) | (7.18) | (768.32) |
| Adjustment on disposal of a subsidiary (SRSFML) | - | 9.01 | | | - | - | | | 9.01 | (11.63) | (2.62) |
| Transferred to statutory reserve | - | (0.73) | | 0.73 | | - | | | - | | - |
| | | | | | | - | | | - | | - |
| **Total as at 31 March 2017** | **-** | **1,017.53** | **3,558.92** | **9.26** | **(3,663.85)** | **-** | **-** | **(10.07)** | **911.79** | **28.32** | **940.11** |
| Share of profit for the year | - | 492.62 | **-** | **-** | | | | | 492.62 | 14.57 | **507.19** |
| Other comprehensive income | - | (2.63) | | | | | | 2.85 | 0.22 | 0.11 | **0.33** |
| Dividend Paid | - | (6.53) | - | **-** | | | | | (6.53) | (3.45) | **(9.98)** |
| Share issue expenses | - | | (2.01) | | | | | | (2.01) | | **(2.01)** |
| Transfer to capital redemption reserve | - | (100.00) | | | | 100.00 | | | - | | **-** |
| **Total as at 31 March 2018** | **-** | **1,400.99** | **3,556.91** | **9.26** | **(3,663.85)** | **100.00** | **-** | **(7.22)** | **1,396.09** | **39.55** | **1,435.64** |

Note:
The above statement should be read with the Notes to the Restated Ind AS Consolidated Statements - Accounting Policies - Annexure V, Statement of reconciliation of equity as per previous GAAP and Ind AS - Annexure VI and Statement of Restatement Adjustments to consolidated Financial Statements - Annexure VII.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of
Avana Logistek Limited

**Sanjiv V Pilgaonkar**
Partner
Mumbai,
6th June 2018

**S Ramakrishnan**
Chairman
(DIN: 00057637)

**S Varadarajan**
Managing Director
(DIN: 07850694)

**Namrata Malushte**
Company Secretary
M No.17217

**Sanjay Bohra**
Chief Financial Officer

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure IV.I**
**Restated Ind AS Consolidated Statement of Other Equity**

**(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Retained earnings | 1,400.99 | 1,017.53 | 1,242.45 | 1,163.72 | 895.93 |
| Securities premium | 3,556.91 | 3,558.92 | 60.00 | 60.00 | 60.00 |
| Statutory reserve | 9.26 | 9.26 | 8.53 | 7.90 | 7.63 |
| Capital reserve on consolidation | (3,663.85) | (3,663.85) | (3,663.85) | (3,663.85) | (3,663.85) |
| Capital redemption reserve | 100.00 | - | - | - | - |
| Revaluation reserve | - | - | 152.66 | 159.35 | 178.01 |
| Shares pending issuance | - | - | 3,589.01 | 3,589.01 | 3,589.01 |
| Foreign currency translation reserve | (7.22) | (10.07) | 239.72 | 158.90 | 99.55 |
| | **1,396.09** | **911.79** | **1,628.52** | **1,475.03** | **1,166.28** |

**Nature and purpose of reserves:**

**Securities premium:** Securities premium comprises premium received on issue of shares.

**Retained earnings:** Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.

**Capital reserve on consolidation:** The Group has recognised capital reserve on consolidation on acquiring control over Avana Global FZCO, and treated as common control as per IND AS 103 Business Combinations.

**Other comprehensive income:** Remeasurement of net defined benefit plan: represents the impact of actuarial gains and losses on the funded obligation due to changes in acturial assumption and experience adjustments.

**Statutory reserve:** Statutory reserve is created by appropriating a portion of the profit of the subsidiary company as required by the local regulations of overseas components. The reserve is not available for distribution except as provided in the respective regulations.

**Foreign currency translation reserve:** Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e INR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Subsequent to the balance sheet date 1,19,76,050 equity shares of Rs. 5 each were authorised for issue as fully paid-up bonus shares by capitalising Rs. 59.88 million out of the securities premium reserve.

**1 Corporate Information**

Avana Logistek Limited (the "Company" or "the Parent") is a public limited company incorporated in India on March 17, 1994 under the Companies Act, 1956. The registered office of the Company is 4th Floor, Geetmala Building, Shah Industrial Estate, Govandi East, Mumbai, Maharashtra, India - 400 088.

The Company along with its subsidiaries (together referred to as the "Group") specialises in offering seamless, end-to-end, multi-modal logistics solutions incorporating the Road-Rail-Sea-Air routes. The Group acts as single point contact to meet all Supply Chain Management (SCM) activities of its clients. These Restated Consolidated Financial Information and Other Consolidated Financial Information were approved by the Board of Directors of the Company on June 6, 2018.

**2 Applicability of new and revised Ind AS:**

**2.1 Amendments to Ind AS that are notified and adopted by the Group**

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated March 17, 2017, Ministry of Corporate Affairs (MCA) has notified amendments to two new standards namely Ind AS 102 Share-based Payment and Ind AS 7 Statement of Cash Flows which have become effective from April 1, 2017.

There are no share-based payment transactions and hence Ind AS 102 is not applicable to the Group.
Further, amendment to Ind AS 7 pertains to additional disclosure requirement such as "An entity will be required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes."

Relevant disclosures in this regard has been provided in Annexure XIV.

**2.2 New standard issued but not yet effective**

MCA on March 28, 2018 notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the "Rules"). The Rules notify the new revenue standard Ind AS 115, Revenue from Contracts with Customers and also bring in amendment to existing Ind AS. The Rules shall be effective from reporting periods beginning on or after April 1, 2018.
• New revenue standard Ind AS 115 supersedes the existing standards Ind AS 18 – "Revenue" and Ind AS 11 – "Construction Contracts". The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:
i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (identified in step ii)
v. Recognition of revenue when the Company satisfies a performance obligation.

• Appendix B, (Foreign Currency Transactions and Advance Considerations) to Ind AS 21, "The Effects of Changes in Foreign Exchange Rates" has been notified. The appendix clarifies that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, should be the date on which an entity has received or paid an advance consideration in a foreign currency.

The management is yet to assess the impact of the aforesaid amendments on the Group's financial information.

**3.1 Basis of preparation & presentation**

The Restated Consolidated Ind-AS Statement of Assets and Liabilities of the Group as at March 31, 2018 and March 31, 2017 and the Restated Consolidated Ind-AS Statement of Profit and Loss, the Restated Ind-AS Consolidated Statement of Changes in Equity and the Restated Consolidated Ind-AS Statement of Cash flows for the years ended March 31, 2018 and March 31, 2017 and Restated Ind-AS Other Consolidated Financial Information (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.
The Restated Consolidated Financial Information (including Restated Consolidated Ind AS financial information for the years ended March 31, 2018 and March 31, 2017 and Restated Consolidated Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014) have been compiled by the Company from the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2018 prepared under Ind AS and for the years ended March 31, 2017, 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').
The comparative restated financial information of the Group for the year ended 31st March, 2017, 2016, 2015 and 2014 prepared in accordance with Ind AS included in this restated consolidated Ind AS financial statements has been audited and examined by PKF Sridhar and Santhanam LLP, the predecessor auditor vide their report dated 6th June, 2018.

The Group has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated Consolidated financial information for the years ended March 31, 2016, 2015 and 2014 have been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in Group prospectuses issued by ICAI. For the purpose of Proforma Ind AS Consolidated financial information for the years ended March 31, 2016, 2015 and 2014, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016 Refer Note (r) for the details of first-time adoption exemptions availed by the Group. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Consolidated financial information as of and for the years ended March 31, 2016, 2015 and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016). The basis of preparation for specific items where exemptions has applied are as follows:
- Property Plant & Equipment, Intangible assets and Investment Property - As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of property, plant & equipment, intangible assets and investment property. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has provided the depreciation based on the estimated useful life of the respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.
- Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS, that occurred before 29th September, 2012. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has continued with the existing exemption availed on the date of transition (i.e. April 1, 2016).
- The requirement of Ind AS 101 that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having deficit balance has been applied by the Group retrospectively from 29th September, 2012.

Ind AS 101 permits cumulative translation gain and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation difference in accordance with Ind AS 21 'The Effects of Changes in Foreign Exchange Rates' from the date a subsidiary or equity method accounted investee was formed or acquired.
The Group elected to reset all its cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has not reset the balances before the transition date to zero .
-The Group elected to reset the balance in revaluation reserve to zero by transferring it to opening retained earnings at its transition date. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has not reset the balances before the transition date to zero .
- As specified in the Guidance Note, the equity balance computed under Proforma Ind AS Consolidated financial information for the years ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the years ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind- AS principles applied on Proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS Consolidated financial information has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Annexure VI.

The Restated Consolidated Financial Information (including Restated Consolidated Ind AS financial information for the years ended March 31, 2018 and March 31, 2017 and Restated Consolidated Proforma Ind AS financial information for the years ended March 31, 2016, 2015 and 2014) have been compiled by the Group from the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2018 and March 31, 2017 prepared under Ind AS and for the years ended March 31, 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').
For all periods up to and including the year ended March 31, 2017, the Group prepared its Audited Consolidated Financial Statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Consolidated financial statements for the year ended March 31, 2018 are the first IND AS consolidated financial statements of the Group. The date of transition to Ind AS is April 1, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2017, 2016, 2015, and 2014 and of the Restated Statement of Profit and loss and other comprehensive Income for the years ended March 31, 2017, 2016, 2015 and 2014. Reconciliation of the same is disclosed in Annexure VI.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Group by way of fresh issue of shares as well as offer for sale by the selling shareholders, to be filed by the Group with SEBI, in accordance with the requirements of:
a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
c) Guidance note on reports in Group prospectuses.
These Restated Consolidated Financial information have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

The accounting policies as set out below have been applied consistently to all the periods presented in these Restated Consolidated Ind AS Financial Information.

The functional currency of the Company is determined to be Indian Rupees. The functional currency of subsidiaries is their respective local currencies.

The Restated Consolidated Financial Information are presented in Indian Rupees (INR) and all values are rounded to the nearest millions, expect where otherwise indicated.

The Restated Consolidated Ind AS Financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Restated Consolidated Ind AS Financial Information is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.
In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**3.2 Significant accounting policies**

**( a) Basis of consolidation**

The Restated Consolidated Financial Information incorporate the restated financial information of the Company and its subsidiaries. Control is achieved where the Company:
• has power over the investee;
• is exposed to, or has rights, to variable returns from its involvement with the investee; and
• has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
• the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
• potential voting rights held by the Company, other vote holders or other parties;
• rights arising from other contractual arrangements; and
• any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.
Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

The Restated Consolidated Ind AS Financial Information of the Group combine financial information of the Parent and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

**(b) Business combination**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the restated Ind-AS consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the restated Ind-AS consolidated statement of profit and loss.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method. The assets and liabilities of combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise the accounting policies. Business combinations arising from transfers of interests in entities that are under the control of shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of reserves are preserved and they appear in the Restated Consolidated Ind AS Financial Information of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

**( c) Revenue recognition**

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

**(i) Revenue from logistics service operations**

a) Sea freight and liner service income from transportation of cargo by inland and international waterways respectively is recognised following the proportionate completion method on time basis.

b) Terminal handling charges and ancillary income related to load port and discharge port are recognised on loading / unloading of the container at the load port and discharge port respectively.

c) Income from transportation of cargo by road / rail is recognised upon delivery to load port or final place of delivery, as applicable.

d) In case of end-to end logistics services under multimodal transport, the revenue is recognised following the proportionate completion method on time basis for each mode..

e) Freight forwarding: In case of export jobs, income is recognised on sailing of vessel (shipping freight) / receipt of airway bill (air freight). In case of import jobs, income is recognised on arrival of vessel (shipping freight) / aircraft (air freight) at the destination port.

**(ii) Dividend income**

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

**(iii) Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

**(d) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost comprises its purchase price net of any trade discounts and rebates, import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the restated Ind-AS consolidated statement of profit and loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.
For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.
Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized by the Group so as to write off the cost of assets over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the expected usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

| Class of assets | Useful lives in years |
|---|---|
| Container | 15 years |
| Trailer | 10 years |
| Computer | 3-6 years |

Depreciation on containers held by the Group’s overseas components has been revised w.e.f 1 April 2017 based on expected pattern of consumption of future economic benefits, from reducing balance method using a rate of 10% - 11.10% per annum to straight line method based on estimated useful life of 15 years. Other property, plant and equipment of the Parent's foreign subsidiaries has been provided on straight-line method as per the estimated useful life of such assets as follows:

| Class of assets | Useful lives in years |
|---|---|
| Furniture, fixtures and office equipment | 3 to 5 years |
| Motor vehicles | 5 years |

Where cost of a part of the asset (“asset component”) is significant to total cost of the asset and useful life for that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

**(e) Investment Properties**

Investment property comprises of residential properties in United Arab Emirates.
The investment property are measured initially at cost less accumulated depreciation and impairment loss. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The investment property are depreciated using the straight line method over the expected useful life of 20 years.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, when material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

**(f) Intangible assets**

Intangible assets purchased are carried at cost as of the date of acquisition less accumulated amortisation and accumulated impairment losses, if any. Intangible asset in the nature of computer software is amortised on a straight line basis over the estimated useful life of 4 to 6 years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the restated Ind-AS consolidated statement of profit and loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has provided the amortisation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

**(g) Foreign exchange transactions**

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional and presentation currency of the Company is Indian Rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the restated Ind-AS consolidated statement of assets and liabilities date and exchange gains and losses arising on settlement and restatement are recognised in the restated Ind-AS consolidated statement of profit and loss.
Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for the exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the restated financial information of the Company for the year ended March 31, 2017 prepared under Previous GAAP, are capitalized as a part of the depreciable property, plant and equipment to which the monetary item relates and depreciated over the remaining useful life of such assets.

For the purposes of preparation of these restated consolidated financial information, the assets and liabilities of the Group's foreign subsidiaries are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

**(h) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All the other borrowing costs are recognised in the Consolidated restated Ind-AS consolidated statement of profit and loss in the period in which they are incurred.

**(i) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.
Current tax:
Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of tax laws applicable in the respective countries of the Company and its subsidiaries. Subsidiaries in UAE are not subject to any taxes on income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.
Deferred tax:
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting of a business combination, the tax effect is included in the accounting for the business combination.

**(j) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the rime value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

**(k) Employee benefits**

**(i) Short-term employee benefits:**
Benefits accruing to employees in respect of wages, salaries, compensated absences (availed at the time of retirement or termination), expected cost of bonus which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Group in respect of services provided by employees up to the reporting date.

**(ii) Retirement benefit costs and termination benefits**

Defined contribution plans:
The eligible employees of the Group are entitled to receive benefits under the provident fund scheme which is in substance, defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:
The Group's liabilities towards gratuity is determined using the projected unit credit method, with actuarial valuations being carried out on half yearly basis.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Consolidated restated Ind-AS consolidated statement of assets and liabilities with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in other equity and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:
• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• net interest expense or income; and
• re-measurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit or Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Consolidated restated Ind-AS consolidated statement of assets and liabilities represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form reductions in future contributions to the plans.

Provision for employees' end-of-service benefits for overseas components in Oman and Saudi Arabia is recognised in accordance with the Labour Law in Oman and Kingdom of Saudi Arabia respectively based on current remuneration and cumulative years of service of employees at the reporting date and is not determined on actuarial valuation basis.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related services are rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in the respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to reporting date.

**(l) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

**(m) Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease when the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

<u>Group as a lessor</u>

Rental income from operating leases is recognised on straight line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight line basis over the lease term.

<u>Group as a lessee</u>

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Consolidated Statement of Profit or Loss.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

**(n) Accounting and reporting of information for Operating Segments**

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Makers (CODM) in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

**(o) Cash and cash equivalents**

Cash and cash equivalent in the Consolidated restated Ind-AS consolidated statement of assets and liabilities comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

**( p) Financial instruments**

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated restated Ind-AS consolidated statement of profit and loss.

(a) Non-derivative financial instruments:

i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) Financial assets carried at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

v) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

vi) Financial liabilities at amortized cost
Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the restated Ind-AS consolidated statement of assets and liabilities date, the carrying amounts approximate fair value due to the short maturity of these instruments.
(b) Impairment:
i) Financial assets:
The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

The Group assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the company's past history of recovery, credit worthiness of the counter party and existing market conditions.

ii) Non-financial assets:
Property, plant and equipment and intangible assets:
Property, plant and equipment and intangible assets with finite life are evaluated for recoverability wherever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated restated Ind-AS consolidated statement of profit and loss.

(c) De-recognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated restated Ind-AS consolidated statement of profit and loss.
A financial liability (or a part of a financial liability) is derecognised from the Group's Consolidated restated Ind-AS consolidated statement of assets and liabilities when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated restated Ind-AS consolidated statement of profit and loss.

**(d) Fair value of financial instruments:**
In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

**(q) Current versus non-current classification**
The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:
a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.
The Group has identified twelve months as its operating cycle.

**(r) First time adoption:**

The Group has prepared the opening Consolidated Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions as detailed below.

i. Deemed cost for property, plant and equipment, investment property and intangible assets:
The Group has elected to continue with the carrying value of all of its property, plant and equipment, investment properties and intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

ii. De-recognition of financial assets and financial liabilities
The Group has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

iii. Designation of previously recognised financial instruments
The Group has designated financial liabilities and financial assets at fair value through profit or loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

iv. Impairment of financial assets
The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

v. Classification of debt instruments
The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

vi. Long term foreign currency monetary item:
The Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended 31st March, 2017.

vii. Past business combinations:
The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before September 29, 2012.

viii. Non-controlling interests:
The requirement of Ind AS 101 that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having deficit balance has been applied by the Group retrospectively from September 29, 2012.

ix. Foreign currency translation reserve:
Ind AS 101 permits cumulative translation gain and losses to be reset to zero at the transition date.
The Group elected to reset all its cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

x. Revaluation reserve
Ind AS 101 permits cumulative revaluation reserve to be reset to zero at the transition date.
The Group elected to reset all its revaluation reserve to zero by transferring it to opening retained earnings at its transition date.

**(s) Key sources of estimation uncertainty and critical accounting judgements:**

The preparation of the Restated Consolidated Ind AS Financial Information requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
The following are the critical judgements and estimations that have been made by the management in the process of applying the company's accounting policies and that have the most significant effect on the amount recognised in the Restated Consolidated Ind AS Financial Information and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**i. Revenue recognition:**
The Group recognises unfinished voyage income and related expenses based management's estimates on the average number of days required to complete the voyage from the port of origin for the voyage to the port of destination given its operational performance during the year. The actual travel time per voyage may differ leading to differences in unfinished voyage income and expenses to be recognised for voyages in-transit at the end of the period.

**ii. Useful lives and residual values of property, plant and equipment:**
As described in (f) above, the management reviews the useful lives of property, plant and equipment at least once a year. Such lives for containers and trailers are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.
Residual values of the containers is estimated at the year-end based on average realisation made from the sale / disposal of containers during the year.

**iii. Contingencies:**
In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in Note XXV but are not recognized.

**iv. Expected credit losses:**
The Group assesses its expected credit losses at each reporting date. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Key assumptions applied are experience (including comparisons of the relative age of accounts and consideration of actual write-off history), customer creditworthiness, changes in customer payment terms, the estimated debt recovery rates and future market conditions that could affect recovery. The actual level of debt collected may differ from the estimated levels of recovery.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure VI**
**Consolidated Ind AS Statement of reconciliation of equity as per previous GAAP and Ind AS**

**Reconciliation of Total equity between previous GAAP and IND AS is as under:**

**(Rupees in million, unless otherwise stated)**

| | Note | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| a) Restated Equity reported under Previous GAAP | | 3,970.19 | 305.29 | 326.82 | 262.40 |
| b) Net impact of unfinished voyage income/ expenses recognised under percentage of completion method | 2 | (35.88) | (22.09) | (22.33) | (13.33) |
| c) Impact of expected credit loss allowances | 3 | (19.46) | (19.61) | (0.55) | (0.29) |
| d) Redeemable preference share capital classified as a financial liability | 5 | (100.00) | (100.00) | (100.00) | (100.00) |
| e) Dividend on redeemable preference shares recognised as finance costs | 5 | (11.43) | - | - | - |
| f) Impact of recognition of constructive obligation towards customary bonus | 6 | (11.23) | (7.35) | (20.85) | (8.30) |
| g) Impact on account of deferred tax | 7 | 13.28 | 10.02 | 14.78 | 7.58 |
| h) Proposed dividend on equity shares (including dividend distribution tax) | 8 | - | - | 4.21 | - |
| i) Reorganisation of entities under common control | 10 | - | 1,536.94 | 1,360.77 | 1,123.54 |
| j) Reversal of goodwill on consolidation under previous GAAP | 10 | (2,632.55) | (5.95) | (15.46) | (15.46) |
| k) Alignment of group accounting policy | 11 | (89.32) | - | - | - |
| l) Adjustments to Non-Controlling interest | 12 | - | 2.68 | 0.72 | 0.37 |
| m) Non-controlling interests presented as a part of total equity under Ind AS | 14 | 28.32 | 41.49 | 21.85 | 26.52 |
| **Total equity before prior period adjustments** | | **1,111.92** | **1,741.42** | **1,569.96** | **1,283.03** |
| Prior period adjustments | 4 | (52.05) | (36.41) | (38.08) | (55.23) |
| **Total equity under Ind AS** | | **1,059.87** | **1,705.01** | **1,531.88** | **1,227.80** |

**Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss for the year ended 31 March 2017, 2016, 2015 and 2014**

**(Rupees in million, unless otherwise stated)**

| | Note | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| a) Restated Net profit after tax as reported under previous GAAP | | 76.73 | 2.49 | 87.18 | 37.96 |
| b) Dividend on redeemable preference shares recognised as finance costs | 1 | (11.43) | (11.43) | (11.43) | (11.11) |
| c) Premium on redemption of preference shares accounted under EIR method | 1 | - | (0.64) | (1.22) | (1.12) |
| d) Net impact of unfinished voyage income/ expenses recognised under percentage of completion method | 2 | (7.71) | 0.24 | (9.00) | (1.13) |
| e) Impact of expected credit loss allowances | 3 | 19.19 | (19.07) | (0.29) | (0.11) |
| f) Prior period adjustments | 4 | (15.64) | 1.67 | 17.15 | (13.40) |
| g) Effect of reclassification of actuarial loss on defined benefit obligation taken to other comprehensive income (net of tax) | 5 | (0.02) | 1.15 | 0.43 | (0.25) |
| h) Impact of recognition of constructive obligation towards customary bonus | 6 | (3.87) | 13.49 | (12.54) | (2.94) |
| i) Impact on account of deferred tax | 7 | 3.26 | (4.76) | 7.20 | 1.83 |
| j) Share issue expenses adjusted directly against equity | 9 | 5.33 | - | - | - |
| k) Reorganisation of entities under common control | 10 | 76.21 | 115.66 | 202.18 | 364.32 |
| l) Profit on disposal of subsidiary's shares | 10 | (0.25) | - | - | - |
| m) Impact on account of transitional provision of Schedule II of Companies Act 2013 | 13 | - | - | (0.28) | - |
| **Net profit/(loss) after tax - Ind AS** | | **141.80** | **98.80** | **279.38** | **374.05** |
| Other comprehensive income (net of tax) | 5 | (10.67) | 81.33 | 60.33 | 63.89 |
| **Total comprehensive income after tax -Ind AS** | | **131.13** | **180.13** | **339.71** | **437.94** |

**Statement of cash flows reconciliations**

There are no material differences in cash flows from operating, investing and financing activities on transition from previous GAAP to IND AS.

**Notes**

**1. Preference share capital and dividend thereon:**

Under Ind AS 109, redeemable preference shares capital is treated as debt as the same is fully repayable on redemption date and accordingly same is re-classified as liability instead of equity. Further, dividends payable on such preference shares are required to be recognized as expenses in Statement of Profit and Loss instead of an item of appropriation under previous GAAP.

**2. Net impact of unfinished voyage income/expenses:**

Revenue and expenses related to incomplete voyages have been deferred to the subsequent period following the percentage completion method for revenue recognition in accordance with Ind AS 18, "Revenue".

**3. Expected credit loss:**

Impairment for trade receivable is measured under Ind AS based on expected credit loss model versus incurred loss model under the previous GAAP.

**4. Prior period adjustments:**

Prior period adjustment include rectification of following errors:

**(Rupees in million, unless otherwise stated)**

| Nature of prior period adjustment | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|
| Omission of freight charges incurred during the year ended 31 March 2017 | (8.20) | - | - | - |
| Additional finance charge on account of containers taken on finance lease in prior years | (8.50) | 1.67 | 17.15 | (13.40) |
| Others | 1.06 | | | |
| **Impact on the Restated Ind AS Consolidated Statement of Profit and Loss** | (15.64) | 1.67 | 17.15 | (13.40) |

**5. Re-measurement actuarial gain/(loss):**

In accordance with Ind AS 19 “Employee Benefits”, remeasurements of actuarial gain and losses of defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous GAAP.

**6. Recognition of constructive obligation towards customary bonus:**

In accordance with Ind AS 19 "Employee Benefits", the Company has recognised provision for constructive obligation in the period to which it pertains rather than recognition of expenses at the time of making the payment.

**7. Deferred taxes:**

The tax impacts primarily represent deferred tax consequences arising out of Ind AS remeasurement changes.

**8. Dividend on equity shares:**

Dividend paid on equity share is recognised under Ind AS only in the year in which dividend is declared even though the dividend pertains to previous financial period.

**9. Share issue expenses adjusted against equity:**

In accordance with IND AS 32 "Financial instruments: Presentation", transactions costs atributable to equity transaction (acquisition of Avana Global FZCO, earlier known as Balaji Shipping Lines FZCO) has been accounted as deduction from securities premium as against charged to Statement of Profit and Loss under the previous GAAP.

**10. Reorganisation of entities under common control**

The Group under Ind AS 103 "Business Combination" has accounted the transfer of the shareholding of Transworld Holdings, Mauritius in Avana Global FZCO to Avana Logistek Limited on the historical cost basis retrospectively and the consideration paid in excess of share capital of the entity has been recorded as reduction to equity under capital reserve on consolidation. Under previous GAAP, the transfer has been accounted for on fair value basis. Accordingly, the goodwill recognised under previous GAAP has been reversed completely under Ind AS and the profit earned on disposal of investment in SRS Freight Management Limited to another group company of Transworld Holdings, Mauritius has been recognised directly in equity.

**11. Alignment of group accounting policy**

Avana Global FZCO (the subsidiary) was earlier following revaluation model for subsequent measurement in case of containers, whereas Avana Logistek Ltd. (the holding company) was following cost model. In accordance with Ind AS 110, the subsidiary has aligned its accounting policies with that of the parent on transition to Ind AS.

**12. Adjustment to non-controlling interest**

Under Ind AS, non-controlling interest's share of profit as well as loss and the net worth attributable only to equity shareholders are considered for non-controlling interest calculation whereas the previous GAAP did not require non-controlling interest to share the loss beyond the capital contributed by them and no distinction made between equity and preference shareholders for the purpose of allocation of securities premium.

**13. Transitional provision under Schedule II of Companies Act, 2013:**

Schedule II of Companies Act, 2013 when first introduced provided one-time transition relief for adjustment of depreciable value of assets (whose useful life had already expired on transition date) directly against retained earnings. Under Ind AS, such adjustments have to be carried out through statement of profit & loss only.

**14.** To comply with the Companies (Indian Accounting Standards) Rules 2015, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure VII**
**Restated Statement of Consolidated Adjustments to the Audited Consolidated Financial Statements**

**A.** The summary of results of restatement adjustments made in the consolidated financials statements for the respective years and its impact on the profit of the Group is as follows:

**(Rupees in million, unless otherwise stated)**

| Particulars | Notes | For the years ended | | | |
|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Net profit as per audited financial statements** | | 65.62 | 13.60 | 87.18 | 37.96 |
| Adjustment on account of auditor's qualification | a | 11.11 | (11.11) | - | - |
| **Restated Net profit as per previous GAAP** | | **76.73** | **2.49** | **87.18** | **37.96** |
| Adjustments on account of Ind AS (including prior period adjustments) | VI | 54.40 | 177.64 | 252.53 | 399.98 |
| **Restated profit for the year as per Ind AS** | | **131.13** | **180.13** | **339.71** | **437.94** |

**B.** The summary of results of restatement adjustments made in the audited consolidated financials statements for the respective years and its impact on the equity of the Group is as follows:

**(Rupees in million, unless otherwise stated)**

| Particulars | Notes | As at | | | |
|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Total equity (Shareholder's funds) as per previous GAAP** | | 3,970.19 | 316.40 | 326.82 | 262.40 |
| Impact of auditor's qualification | a | - | (11.11) | - | - |
| **Restated equity as per previous GAAP** | | **3,970.19** | **305.29** | **326.82** | **262.40** |
| Adjustments on account of Ind AS (including prior period adjustments) | **VI** | (2,910.32) | 1,399.72 | 1,205.06 | 965.40 |
| **Restated equity as per Ind AS** | | **1,059.87** | **1,705.01** | **1,531.88** | **1,227.80** |

**Note:**
a) Adjustment of custm duty against the opening retained earnings as at April 1, 2016 which was pertaining to containers taken on lease and inadvertently deferred instead of being recognised as an expense in corressponding period.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure VIII**
**Restated Ind AS Consolidated Statement of Property, plant and equipment and Intangible assets**

**(Rupees in million, unless otherwise stated)**

| Particulars | Containers | Containers on finance lease | Furniture and Fixtures | Computers | Office equipments | Trailer (Commercial Vehicle) | Motor Vehicle | Residential Property | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross block value as at April 1, 2013 (Proforma)** | **354.64** | **1,008.53** | **43.07** | **7.15** | **6.17** | **137.68** | **32.78** | **53.10** | **1,643.12** |
| Additions | 1.75 | - | 7.00 | 1.31 | 1.83 | - | 0.83 | - | 12.72 |
| Transfer | 49.15 | (49.15) | - | - | - | - | - | - | - |
| Disposals/ Adjustments | (17.41) | (1.46) | (3.06) | (0.23) | (1.09) | - | - | - | (23.25) |
| Effect of foreign currency exchange differences | 17.95 | 100.83 | 3.77 | - | - | - | 3.10 | 5.26 | 130.91 |
| **Gross block value as at March 31, 2014 (Proforma)** | **406.08** | **1,058.75** | **50.78** | **8.23** | **6.91** | **137.68** | **36.71** | **58.36** | **1,763.50** |
| Additions | 455.66 | - | 1.78 | 1.44 | 0.59 | - | 9.45 | - | 468.92 |
| Transfer | 74.34 | (74.34) | - | - | - | - | - | - | - |
| Disposals/ Adjustments | (8.54) | (2.49) | (0.04) | - | (0.07) | - | - | - | (11.14) |
| Effect of foreign currency exchange differences | 25.55 | 51.68 | 2.03 | - | - | - | 1.79 | 2.96 | 84.01 |
| **Gross block value as at March 31, 2015 (Proforma)** | **953.09** | **1,033.60** | **54.55** | **9.67** | **7.43** | **137.68** | **47.95** | **61.32** | **2,305.29** |
| Acquisition of subsidiary | - | - | - | - | - | - | - | - | - |
| Additions | 6.89 | 433.50 | 1.88 | 0.76 | 0.71 | 58.48 | 20.75 | - | 522.97 |
| Transfer | 544.98 | (544.98) | - | - | - | - | - | - | - |
| Transfer to investment property ( Refer note 6) | - | - | - | - | - | - | - | (64.99) | (64.99) |
| Disposals/ Adjustments | (30.89) | (18.84) | (0.89) | (0.01) | (0.09) | (45.68) | (32.00) | - | (128.40) |
| Effect of foreign currency exchange differences | 53.92 | 55.99 | 2.78 | - | - | - | 3.17 | 3.67 | 119.53 |
| **Gross block value as at March 31, 2016 (Proforma)** | **1,527.99** | **959.27** | **58.32** | **10.42** | **8.05** | **150.48** | **39.87** | **0.00** | **2,754.40** |
| Adjusted for deemed cost | (575.15) | (205.03) | (45.21) | (6.13) | (5.81) | (47.83) | (12.97) | - | (898.13) |
| **Balance as on 1 April 2016 (deemed cost)** | **952.84** | **754.24** | **13.11** | **4.29** | **2.24** | **102.65** | **26.90** | **-** | **1,856.27** |
| Additions | 12.90 | 40.57 | 1.34 | 0.86 | 0.57 | 27.89 | - | - | 84.13 |
| Elimination on disposal of subsidiary | - | - | (0.42) | - | - | - | - | - | (0.42) |
| Disposals/ Adjustments | (33.14) | (0.23) | - | (0.14) | - | - | - | - | (33.51) |
| Effect of foreign currency exchange differences | | (1.21) | | | | | | | (1.21) |
| Translation Reserve | (17.63) | (13.99) | (0.26) | - | - | - | (1.46) | - | (33.34) |
| **Gross block value as at March 31, 2017** | **914.97** | **779.38** | **13.77** | **5.01** | **2.81** | **130.54** | **25.44** | **-** | **1,871.92** |
| Additions | - | 0.31 | 0.25 | 3.10 | 8.65 | - | 1.59 | - | 13.90 |
| Disposals/ Adjustments | (64.20) | (0.82) | (0.66) | - | - | - | (1.34) | - | (67.02) |
| Effect of foreign currency exchange differences | - | 0.31 | - | - | - | - | - | - | 0.31 |
| Translation Reserve | 0.14 | 0.46 | (0.02) | - | - | - | 0.02 | - | 0.60 |
| **Gross block value as at March 31, 2018** | **850.91** | **779.64** | **13.34** | **8.11** | **11.46** | **130.54** | **25.71** | **-** | **1,819.71** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure VIII**
**Property, plant and equipment (cont)**

**(Rupees in million, unless otherwise stated)**

| Particulars | Containers | Containers on finance lease | Furniture and Fixtures | Computers | Office equipments | Trailer (Commercial Vehicle) | Motor Vehicle | Residential Property | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation as at April 1, 2013 (Proforma)** | **106.54** | **216.49** | **24.03** | **2.58** | **2.45** | **24.37** | **11.45** | **10.62** | **398.53** |
| Depreciation for the year | 24.21 | 95.29 | 6.35 | 1.15 | 0.60 | 15.57 | 8.05 | 2.97 | 154.19 |
| Transfer | 18.45 | (18.45) | - | - | - | - | - | - | - |
| Deductions/ Adjustments | (6.28) | (0.36) | (1.37) | (0.16) | (0.26) | - | - | - | (8.43) |
| Effect of foreign currency exchange differences | 5.00 | 20.04 | 2.13 | - | - | - | 0.96 | 1.00 | 29.13 |
| **Accumulated depreciation as at March 31, 2014 (Proforma)** | **147.92** | **313.01** | **31.14** | **3.57** | **2.79** | **39.94** | **20.46** | **14.59** | **573.42** |
| Depreciation for the year | 44.99 | 81.91 | 6.46 | 1.18 | 1.54 | 12.20 | 7.36 | 2.99 | 158.63 |
| Transfer | 32.86 | (32.86) | - | - | - | - | - | - | - |
| Deductions/ Adjustments | (3.24) | (1.04) | (0.03) | - | (0.03) | - | - | - | (4.34) |
| Effect of foreign currency exchange differences | 6.35 | 17.10 | 1.63 | - | - | - | 1.18 | 0.82 | 27.08 |
| **Accumulated depreciation as at March 31, 2015 (Proforma)** | **228.88** | **378.12** | **39.20** | **4.75** | **4.30** | **52.14** | **29.00** | **18.40** | **754.79** |
| Acquisition of subsidiary | - | - | - | - | - | - | - | - | - |
| Depreciation for the year | 70.60 | 91.91 | 5.13 | 1.39 | 1.00 | 13.84 | 5.91 | 3.21 | 192.99 |
| Transfer | 275.93 | (275.93) | - | - | - | - | - | - | - |
| Transfer to investment property ( Refer note 6) | - | - | - | - | - | - | - | (22.45) | (22.45) |
| Deductions/ Adjustments | (14.59) | (9.09) | (0.06) | (0.01) | (0.05) | (18.15) | (22.90) | - | (64.85) |
| Effect of foreign currency translation difference | 14.33 | 20.02 | 0.94 | - | 0.55 | - | 0.96 | 1.14 | 37.94 |
| **Accumulated depreciation as at March 31, 2016 (Proforma)** | **575.15** | **205.03** | **45.21** | **6.13** | **5.80** | **47.83** | **12.97** | **0.30** | **898.42** |
| Adjusted for deemed cost | (575.15) | (205.03) | (45.21) | (6.13) | (5.81) | (47.83) | (12.97) | (0.30) | (898.43) |
| **Balance as at 1 April 2016** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Deductions/ Adjustments | (0.20) | - | - | (0.12) | - | - | - | - | (0.32) |
| Depreciation for the year | 94.12 | 71.99 | 2.51 | 1.53 | 0.91 | 16.14 | 6.60 | - | 193.80 |
| Adjustment on disposal of subsidiary | - | - | (0.04) | - | - | - | - | - | (0.04) |
| Effect of foreign currency exchange differences | (2.88) | (2.13) | (0.04) | - | - | - | (1.25) | - | (6.30) |
| **Accumulated depreciation as at March 31, 2017** | **91.04** | **69.86** | **2.43** | **1.41** | **0.91** | **16.14** | **5.35** | **-** | **187.14** |
| Elimination on disposals of assets | (8.89) | (0.12) | - | - | - | - | (1.34) | - | (10.35) |
| Depreciation expense | 16.07 | 39.15 | 1.88 | 1.53 | 1.95 | 16.66 | 5.34 | - | 82.58 |
| Translation Reserve | 0.07 | 0.29 | - | - | - | - | 0.02 | - | 0.38 |
| **Accumulated depreciation as at March 31, 2018** | **98.29** | **109.18** | **4.31** | **2.94** | **2.86** | **32.80** | **9.37** | **-** | **259.75** |
| **Carrying Value as at March 31, 2014 (Proforma)** | **258.16** | **745.74** | **19.64** | **4.66** | **4.12** | **97.74** | **16.25** | **43.77** | **1,190.08** |
| **Carrying Value as at March 31, 2015 (Proforma)** | **724.21** | **655.48** | **15.35** | **4.92** | **3.13** | **85.54** | **18.95** | **42.92** | **1,550.50** |
| **Carrying Value as at March 31, 2016 (Proforma)** | **952.84** | **754.24** | **13.11** | **4.29** | **2.24** | **102.65** | **26.90** | **-** | **1,856.27** |
| **Carrying Value as at March 31, 2017** | **823.93** | **709.52** | **11.34** | **3.60** | **1.90** | **114.40** | **20.09** | **-** | **1,684.78** |
| **Carrying Value as at March 31, 2018** | **752.62** | **670.46** | **9.03** | **5.17** | **8.60** | **97.74** | **16.34** | **-** | **1,559.96** |

Footnotes
a) Certain property, plant and equipment are pledged against borrowings ,the details relating to which have been described in Annexure XIV.
b) Transfers represent purchase of lease containers from the lessor on closure of lease.
c) The Group has elected to use the carrying amounts (net block) measured as per the previous GAAP as the deemed cost (gross block) as at April 1, 2016 (i.e. the transition date).

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure VIII**
**Restated Ind AS Consolidated Statement of Intangible assets**

**(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| **Software licenses** | | | | | |
| **At cost (deemed cost refer note (a) below)** | | | | | |
| Opening balance | 2.99 | 3.03 | 6.59 | 6.27 | 0.10 |
| Additions | - | - | 1.40 | - | 6.28 |
| Effect of foreign currency exchange differences | - | (0.04) | 0.39 | 0.31 | (0.12) |
| **Closing balance** | **2.99** | **2.99** | **8.38** | **6.58** | **6.26** |
| | | | | | |
| **Accumulated amortisation** | | | | | |
| Opening balance | 1.91 | - | 3.33 | 1.63 | 0.06 |
| Amortisation charge for the year | 0.24 | 1.97 | 1.80 | 1.58 | 1.60 |
| Effect of foreign currency exchange differences | - | (0.06) | 0.22 | 0.12 | (0.03) |
| **Closing balance** | **2.15** | **1.91** | **5.35** | **3.33** | **1.63** |
| | | | | | |
| **Carrying amount (net amount)** | **0.84** | **1.08** | **3.03** | **3.25** | **4.63** |

a. The Group has elected to continue with the carrying amount (net block) measured as per the previous GAAP and used it as the deemed cost as at April 1,2016 (Gross block).

*(This space has been intentionally left blank.)*

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure IX**
**Restated Ind AS Consolidated Statement of Investment Property**

**(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| **Residential property** | | | | | |
| **Cost or deemed cost** | | | | | |
| Opening balance | 41.31 | 42.24 | - | - | - |
| Transferred from plant, property and equipment | - | - | 42.24 | - | - |
| Translation reserve | 0.03 | (0.93) | - | - | - |
| Closing balance | **41.34** | **41.31** | **42.24** | **-** | **-** |
| **Accumulated depreciation** | | | | | |
| Opening balance | 3.18 | - | - | - | - |
| Charge for the year | 3.16 | 3.28 | - | - | - |
| Translation difference | 0.02 | (0.10) | - | - | - |
| Closing | **6.36** | **3.18** | **-** | **-** | **-** |
| **Carrying amount (net amount)** | **34.98** | **38.13** | **42.24** | **-** | **-** |

a. The Group has elected to continue with the carrying amount (net block) measured as per the previous GAAP and used it as the deemed cost as at April 1,2016 (Gross block).

**Obligations and restrictions**

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Investment property is provided as a security against the term loan availed from banks.

**Fair value of investment property**

The fair value of the Group's investment properties as at March 31, 2018, March 31, 2017 and April 1, 2016 has been arrived at on the basis of a valuation carried out as on the respective dates by Cluttons LLC, independent valuers not related to the Group, who is experienced in valuing property of this nature in the United Arab Emirates and has the knowledge, skills and understanding to undertake the valuation competently. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

Details of the Group's investment property about the fair value are as follows:

**(Rupees in million, unless otherwise stated)**

| | As at 31-Mar-18 | As at 31-Mar-17 | As at 1-Apr-16 |
|---|---|---|---|
| Residential Property in Dubai | 134.41 | 136.48 | 136.48 |

Level 3 inputs are used for valautaion of investment property.

**Others**

In the FY 2015-16, residential property has been transferred from property, plant and equipment considering the use of the property to earn rental income.

*(This space has been intentionally left blank.)*

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure X**
**Restated Ind AS Consolidated Statement of Investments**

**Investments**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **<u>Non-Current</u>** | | | | | |
| **Investment in equity instruments (at cost/ deemed cost)** | | | | | |
| Transworld Feeders FZCO (1 No of share) * | - | - | 1.86 | 1.75 | 1.67 |
| BSL Freight Solutions Private Ltd # | - | - | 10.00 | - | - |
| (1,000,000 Nos of share) | **-** | **-** | **11.86** | **1.75** | **1.67** |
| **<u>Current (at fair value through profit or loss)</u>** | | | | | |
| **Investment in mutual fund (quoted)** | | | | | |
| Reliance mutual fund | - | - | 6.97 | 12.36 | - |
| (Nos of unit) | - | - | 5,008 units | 12,326 units | - |
| Escorts mutual fund | - | - | - | 10.25 | - |
| (Nos of unit) | - | - | - | 747,487 units | - |
| | **-** | **-** | **6.97** | **22.61** | **-** |
| **Aggregate carrying value of quoted investments** | **-** | **-** | **6.97** | **22.61** | **-** |
| **Aggregate carrying value of unquoted investments** | **-** | **-** | **11.86** | **1.75** | **1.67** |
| **Aggregate market value of quoted investments** | **-** | **-** | **6.97** | **22.61** | **-** |

**Notes:**

* - Represents 20% equity investment at cost. Although the Group held 20% interest in the investee company, the investment was held for and on behalf of the ultimate parent company which held the balance investment and thereby controlled the investee. Also, during the year ending 31 March 2017, investment was transferred to Transworld Holdings Limited. Hence the Group does not have significant influence over the investee.

# -Represents 100% equity investment at cost. Although the Group held 100% interest in the investee company, the investment was held and sold by Avana Global FZCO before it was acquired by Avana Logistek Limited. Accordingly, BSL Freight Solutions Private Limited was not consolidated by Avana Logistek Limited.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XV.I**
**Restated Ind AS Consolidated Statement of Tax Expense and Deferred Tax Liabilities (Net)**

**A. Income tax expenses / (benefits)** **(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| (i) Current tax | | | | | |
| Current income tax expense | 103.20 | 24.56 | 13.46 | 49.78 | 12.55 |
| Tax expense of prior periods | 0.51 | 0.33 | (0.29) | 1.35 | 0.92 |
| | **103.71** | **24.89** | **13.17** | **51.13** | **13.47** |
| (ii) Deferred tax | 13.33 | 17.47 | 4.47 | (4.09) | 6.18 |
| Income tax expense reported in profit or loss | **117.04** | **42.36** | **17.64** | **47.04** | **19.65** |
| **Other comprehensive income section:** | | | | | |
| (i) Items not to be reclassified to profit or loss in subsequent periods | (1.39) | 0.01 | (0.57) | (0.32) | 0.12 |
| **Income tax expense (benefits) reported in other comprehensive income** | **(1.39)** | **0.01** | **(0.57)** | **(0.32)** | **0.12** |
| **Total tax expense** | **115.65** | **42.37** | **17.07** | **46.72** | **19.77** |

**B. Deferred Tax Liabilities (Net)**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Deferred tax liabilities** | **54.81** | **48.55** | **29.02** | **26.47** | **23.68** |
| Property, plant and equipment | 54.81 | 48.55 | 29.02 | 26.47 | 23.68 |
| **Deferred tax assets** | **(15.70)** | **(21.38)** | **(19.27)** | **(20.84)** | **(14.52)** |
| Allowance for doubtful debts | (4.28) | (3.47) | (5.48) | (3.09) | (0.88) |
| Claims receivable | - | - | (0.24) | (0.26) | - |
| Provision for employee benefits | (6.27) | (3.67) | (3.83) | (2.89) | (2.41) |
| Provision for Customary Bonus | (5.15) | (3.72) | (2.43) | (7.09) | (2.87) |
| Unfinished voyage income/expenses (net) | - | (9.27) | (7.29) | (7.51) | (4.61) |
| MAT credit entitlement | - | (1.25) | - | - | (3.75) |
| **Deferred tax liabilities (net)** | **39.11** | **27.17** | **9.75** | **5.63** | **9.16** |

**C. Tax reconciliation**

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| A | **Restated profit before tax** | **624.23** | **184.16** | **116.44** | **326.42** | **393.70** |
| B | Corporate tax rate as per Income Tax Act 1961 | 34.61% | 33.06% | 33.06% | 33.99% | 32.45% |
| C | **Tax on accounting profit** | **216.03** | **60.88** | **38.50** | **110.95** | **127.76** |
| | (a) Expense not deductible in determining taxable profit | | | | | |
| | Interest on TDS and professional tax | 0.29 | 0.63 | 4.58 | 0.03 | - |
| | Provision for interest on preference shares | 3.48 | 3.78 | 3.78 | 3.89 | 3.60 |
| | (b) Income exempt from tax of overseas components | (87.45) | (19.25) | (23.91) | (63.93) | (109.78) |
| | (c) Income offset against brought forward business losses | | | (1.46) | (1.45) | (1.10) |
| | (d) Effect of tax pertaining to prior periods | 0.51 | 0.33 | (0.29) | 1.35 | 0.92 |
| | (e) Effect of different tax rates in overseas components | (17.81) | (5.58) | (3.27) | (4.78) | (4.40) |
| | (f) Others (net) | 1.99 | 1.57 | (0.29) | 0.98 | 2.65 |
| D | **Income tax expenses recognised during the year** | **117.04** | **42.36** | **17.64** | **47.04** | **19.65** |
| E | **Income tax as per Consolidated Statement of Profit and Loss** | 117.04 | 42.36 | 17.64 | 47.04 | 19.65 |
| | **Effective tax rate (%)** | **18.75%** | **23.00%** | **15.15%** | **14.41%** | **4.99%** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XI**
**Restated Ind AS Consolidated Statement of Cash and Bank balances**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **Cash and cash equivalents** | | | | | |
| Balances with banks | | | | | |
| On current accounts | 224.67 | 112.47 | 107.11 | 123.37 | 181.29 |
| Cash on hand | 4.07 | 3.42 | 0.84 | 2.11 | 1.32 |
| Cheques in hand | 5.97 | 2.19 | 8.51 | 6.88 | 2.13 |
| **Total cash and cash equivalents as per Consolidated Balance Sheet** | **234.71** | **118.08** | **116.46** | **132.36** | **184.74** |
| **Other bank balances** | | | | | |
| Bank deposits with original maturity of more than 3 months but maturity within 12 months of the balance sheet date | 25.51 | 3.48 | 6.78 | 30.90 | - |
| Margin money over which banks have lien, against performance guarantees issued | 9.47 | 70.92 | 22.78 | 17.20 | 41.27 |
| **Total** | **34.98** | **74.40** | **29.56** | **48.10** | **41.27** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XII**
**Restated Ind AS Consolidated Statement of Other Assets**

**Other non-current assets:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Deposits | 0.48 | 0.48 | 0.29 | 0.42 | 0.32 |
| Prepaid expenses | 0.16 | - | - | - | - |
| **Total Other non-current assets** | **0.64** | **0.48** | **0.29** | **0.42** | **0.32** |

**Other current assets:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Prepaid expenses | 15.37 | 13.62 | 24.95 | 21.19 | 18.98 |
| Advances to suppliers | 46.92 | 100.79 | - | 4.83 | 4.75 |
| Deposits with customs authority | - | - | - | 20.60 | - |
| Advances to other related parties | - | 0.02 | - | 2.06 | 0.03 |
| Claims receivable | - | 0.29 | 0.33 | 0.09 | 1.33 |
| GST input credit receivable | 78.73 | - | - | - | - |
| Others | 2.63 | 1.40 | 2.22 | 10.67 | 5.99 |
| **Total Other current assets** | **143.65** | **116.12** | **27.50** | **59.44** | **31.08** |

**Other non-current financial assets:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Bank deposits with maturity of more than 12 months | 2.58 | 5.16 | 63.21 | 68.16 | 63.25 |
| Security deposits | 26.86 | 39.67 | 39.17 | 2.81 | 3.07 |
| Other deposits | - | - | - | 15.39 | 17.04 |
| Margin money | 19.44 | 7.38 | 7.53 | - | - |
| **Total Other non-current financial assets** | **48.88** | **52.21** | **109.91** | **86.36** | **83.36** |

**Other current financial assets:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Deposits | 4.24 | 16.31 | 15.88 | 21.60 | 22.67 |
| Interest accrued on fixed deposits | 1.35 | 4.01 | 3.22 | 2.37 | 1.49 |
| Unbilled revenue | 17.22 | 36.05 | 32.29 | 5.70 | 36.92 |
| Due from holding company | 89.92 | 6.65 | 779.33 | 649.96 | 499.69 |
| Others | 38.15 | 21.38 | 24.72 | 21.14 | 24.77 |
| **Total Other current financial assets** | **150.88** | **84.40** | **855.44** | **700.77** | **585.54** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XIII**
**Restated Ind AS Consolidated Statement of Trade Receivables**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **(Unsecured unless otherwise stated)** | | | | | |
| Considered good * | 2,389.43 | 2,242.67 | 1,556.09 | 1,095.72 | 870.41 |
| Considered doubtful | 49.80 | 29.05 | 21.54 | 11.86 | 8.43 |
| | **2,439.23** | **2,271.72** | **1,577.63** | **1,107.58** | **878.84** |
| Less: Allowance for doubtful debts (expected credit loss allowance) | (49.80) | (29.05) | (21.54) | (11.86) | (8.43) |
| **Total trade receivable** | **2,389.43** | **2,242.67** | **1,556.09** | **1,095.72** | **870.41** |

**<u>Movement of allowance for doubtful receivables</u>**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Balance at beginning of the year | 29.05 | 21.54 | 11.86 | 8.43 | 5.14 |
| Allowance for doubtful receivables | 20.60 | 12.94 | 9.55 | 8.05 | 3.07 |
| Disposal of a subsidiary | - | (4.67) | - | - | - |
| Adjustment against bad debts | - | - | - | (4.82) | - |
| Adjustment for foreign currency translation | 0.15 | (0.76) | 0.13 | 0.20 | 0.22 |
| Balance at end of the year | **49.80** | **29.05** | **21.54** | **11.86** | **8.43** |

The credit period on services rendered ranges from 30 to 60 days generally without security.

The Group does not generally hold any collateral over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Included in the allowance for doubtful receivables as at 31st March, 2018 are individually impaired receivables amounting to Rs. 36.69 million against which legal cases have been initiated by the Group. The impairment recognised represents the difference between the carrying amount of these receivables and the estimated costs involved in recovering these receivables. The Group does not hold any collateral over these balances.

All major customers are private companies having highest credit ratings and carrying negligible credit risk. Concentration of credit risk to any single customer did not exceed 10% of total debtors as on each reporting date.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure IV.I**
**Restated Ind AS Consolidated Statement of Share Capital**

**(Rupees in millions, unless otherwise stated)**

| Particulars | | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 (Proforma) | As at March 31, 2015 (Proforma) | As at March 31, 2014 (Proforma) |
|---|---|---|---|---|---|---|
| **Authorised share capital** | | | | | | |
| Equity shares of ₹ 10 each | Number | 1,50,00,000 | 1,50,00,000 | 60,00,000 | 60,00,000 | 60,00,000 |
| | (A) Amount | 150.00 | 150.00 | 60.00 | 60.00 | 60.00 |
| Preference shares of ₹ 100 each | Number | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 |
| | (B) Amount | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| **Total Authorised share capital (A+B)** | | **250.00** | **250.00** | **160.00** | **160.00** | **160.00** |
| **Issued, subscribed and fully paid up shares:** | | | | | | |
| Equity shares of ₹ 10 each, fully paid-up | Number | 1,19,76,050 | 1,19,76,050 | 35,00,000 | 35,00,000 | 35,00,000 |
| | Amount | 119.76 | 119.76 | 35.00 | 35.00 | 35.00 |
| | | **119.76** | **119.76** | **35.00** | **35.00** | **35.00** |

**(a) Reconciliation of the number of shares outstanding at the beginning and end of the year** **(Rupees in millions, unless otherwise stated)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 (Proforma) | As at March 31, 2015 (Proforma) | As at March 31, 2014 (Proforma) |
|---|---|---|---|---|---|
| Balances as at the beginning of the year (in amount) | 119.76 | 35.00 | 35.00 | 35.00 | 25.00 |
| Add: Issued and subscribed during the year (in amount) | - | 84.76 | - | - | 10.00 |
| **Balance at the end of the year (in amount)** | **119.76** | **119.76** | **35.00** | **35.00** | **35.00** |
| Balances as at the beginning of the year (in numbers) | 1,19,76,050 | 35,00,000 | 35,00,000 | 35,00,000 | 25,00,000 |
| Add: Issued and subscribed during the year (in numbers) | - | 84,76,050 | | | 10,00,000 |
| **Balance at the end of the year (in numbers)** | **1,19,76,050** | **1,19,76,050** | **35,00,000** | **35,00,000** | **35,00,000** |

**(b) Terms and rights attached to equity shares**
(i) The Company has only one class of equity shares having a par value of Rs. 10 each. Each shareholder of equity shares is entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

(ii) In the event of liquidation,the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in propertion to their share holding.

**(c) Details of shares held by the holding company**

| Particulars | As at March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|
| Transworld Holdings Limited | 84,76,050 | 84,76,050 | - | - | - |
| Shreyas Shipping and Logistics Limited | NA | NA | 35,00,000 | 35,00,000 | 35,00,000 |
| Percentage of holdings | 70.78% | 70.78% | 100.00% | 100.00% | 100.00% |

**(d) Details of shares held by the Holding Company and other shareholders in the Company including details of shareholders holding more than 5% shares in the Company**

| Particulars | As at March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|
| Shreyas Shipping and Logistics Limited | 35,00,000 | 35,00,000.00 | 35,00,000.00 | 35,00,000.00 | 35,00,000.00 |
| Percentage | 29.22% | 29.22% | 100.00% | 100.00% | 100.00% |
| Transworld Holdings Limited* | 84,76,050 | 84,76,050.00 | - | - | - |
| Percentage | 70.78% | 70.78% | - | - | - |

**Notes:**
(e) For details of shares issued for consideration other than cash refer Annexure XXXIV.

(f) Subsequent to the balance sheet date, each equity share of Rs. 10 each was sub-divided into two equity shares of Rs. 5 each and 1,19,76,050 equity shares of Rs. 5 each were authorised for issue as fully paid-up bonus shares. (refer Annexure XXXVI).

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XIV**
**Restated Ind AS Consolidated Statement of Non-current and Current Borrowings**

**(a) Non-current borrowings**

(Rupees in million, unless otherwise stated)

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Secured** | | | | | |
| Term loans from banks | 121.88 | 273.64 | 354.24 | 347.88 | 68.51 |
| Finance lease obligations | 434.13 | 549.66 | 669.93 | 347.21 | 483.07 |
| Other loans | 2.23 | 3.73 | 5.02 | 6.23 | - |
| **Unsecured** | | | | | |
| From related parties | - | - | 10.31 | 40.00 | - |
| Preference shares - subsidiary company | - | - | - | 14.10 | 12.88 |
| | **558.24** | **827.03** | **1,039.50** | **755.42** | **564.46** |
| Current maturities of non-current borrowings (Refer Annexure XVI) | (184.24) | (270.64) | (209.94) | (186.00) | (186.62) |
| **Total** | **374.00** | **556.39** | **829.56** | **569.42** | **377.84** |

**(b) Current borrowings**

(Rupees in million, unless otherwise stated)

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Secured** | | | | | |
| Working capital loan from banks | 196.56 | 176.89 | 251.51 | 171.86 | 167.57 |
| Bank overdraft | 15.88 | 55.62 | 69.36 | 34.33 | 62.05 |
| **Unsecured** | | | | | |
| Non-convertible, cumulative, redeemable preference share capital (refer Annexure XIV (b)) | - | 100.00 | 100.00 | 100.00 | 100.00 |
| **Total** | **212.44** | **332.51** | **420.87** | **306.19** | **329.62** |

**Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's financing activities, including both cash and non-cash changes, Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Consolidated Statement of Cash Flows as cash flows from financing activities:

(Rupees in million, unless otherwise stated)

| Particulars | As at 31 March 2017 | Non-cash changes- finance lease adjustments | Financing cash flows - repayments | As at 31 March 2018 |
|---|---|---|---|---|
| Term loans from banks | 273.64 | - | (151.76) | 121.88 |
| Other loans | 3.73 | - | (1.50) | 2.23 |
| Finance lease obligations | 549.66 | - | (115.53) | 434.13 |
| Non-convertible, cumulative, redeemable preference share capital | 100.00 | - | (100.00) | - |
| | **927.03** | **-** | **(368.79)** | **558.24** |

**Avana Logistek Limited**

**(Formerly known as Shreyas Relay Systems Limited)**

**Annexure XIV**

**Statement of Principal Terms of Secured Borrowings outstanding as at Balance sheet dates**

a) Nature of security and terms of repayment for secured loan availed from banks

**(Rupees in million, unless otherwise stated)**

| Sl | Particulars | Repayment details | Security | Amount outstanding as on 31 March 18 | Amount outstanding as on 31 March 17 | Amount outstanding as on 31 March 16 | Amount outstanding as on 31 March 15 | Amount outstanding as on 31 March 14 |
|---|---|---|---|---|---|---|---|---|
| 1 | Finance lease obligations | interest ranges from 4.78% to 8.87% repayable in monthly installments from 01.08.11 to 31.3.24 | first pari passu charge on specific containers | 434.13 | 549.66 | 669.93 | 347.21 | 483.07 |
| 2 | Term Loans from banks | Interest ranges from 9.70% to 11.10% repayable in equal monthly instalments till 15.10.16 | first pari passu charge on specific trailers | - | - | 2.53 | 7.29 | 42.54 |
| 3 | Term Loans from banks | Interest ranges from 9.31% to 10.65% repayable in equal monthly instalments till 20.04.20 | first pari passu charge on specific trailers | 46.22 | 62.78 | 51.69 | 5.15 | 20.57 |
| 4 | Term Loans from banks | Interest rate of 4.5% plus one month EIBOR and is repayable till 26.07.19 | first pari passu charge on specific containers | 75.66 | 205.49 | 291.52 | 332.38 | - |
| 5 | Other loans | Interest rate of 3% plus EIBOR and is repayable till March 2019 | first pari passu charge on vehicle | - | 5.37 | 8.51 | 3.06 | 5.40 |
| 6 | Other loans | 10.55% interest repayble in equal installment till July 2019 | first pari passu charge on vehicle | 2.23 | 3.73 | 5.02 | 6.23 | - |
| 7 | Loan from related party | Interest rate of 13.5% | | - | - | 10.31 | 40.00 | - |
| 8 | Working capital loan from banks | Repayable on demand. | Refer note (c) below | 196.56 | 176.89 | 251.51 | 171.86 | 167.57 |
| 9 | Bank overdraft | Repayable on demand. | secured by lien over fixed deposits | 15.88 | 55.62 | 69.36 | 34.33 | 62.05 |

b) 10,000,000 Non-convertible, cumulative, redeemable preference shares carry interest rate of 9.5% per annuam.

c) Working capital loan from banks, repayable on demand are secured by first charge on all trade receivables, cash and cash equivalents, bank balances and other financial assets of the Group.

**Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's financing activities, including both cash and non-cash changes, Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Consolidated Statement of Cash Flows as cash flows from financing activities:

| Particulars | As at 31 March 2017 | Non-cash changes- finance lease adjustments | Financing cash flows - repayments | As at 31 March 2018 |
|---|---|---|---|---|
| Term loans from banks | 273.64 | - | (151.76) | 121.88 |
| Other loans | 3.73 | - | (1.50) | 2.23 |
| Finance lease obligations | 549.66 | - | (115.53) | 434.13 |
| Non-convertible, cumulative, redeemable preference share capital | 100.00 | - | (100.00) | - |
| | **927.03** | **-** | **(368.78)** | **558.24** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XV**
**Restated Ind AS Consolidated Statement of Provisions**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Non-current** | | | | | |
| Provision for gratuity (refer Annexure XXX) | 25.93 | 18.22 | 17.74 | 11.56 | 9.08 |
| **Total** | **25.93** | **18.22** | **17.74** | **11.56** | **9.08** |
| **Current** | | | | | |
| Provision for compensated absences (refer Annexure XXX) | 12.87 | 9.64 | 8.81 | 7.17 | 8.14 |
| Provision for performance bonus | 17.35 | 21.99 | 15.96 | 36.22 | 38.54 |
| Provision for dividend distribution tax | - | 1.93 | 1.93 | 1.93 | 1.61 |
| **Total** | **30.22** | **33.56** | **26.70** | **45.32** | **48.29** |

**Current tax liabilities**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Provision for income tax | 9.14 | 4.56 | 3.93 | 6.18 | 2.51 |
| **Total** | **9.14** | **4.56** | **3.93** | **6.18** | **2.51** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XVI**
**Restated Ind AS Consolidated Statement of Other Liabilities**

**Trade Payables:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Other payables | 2,076.48 | 2,092.80 | 1,292.08 | 933.25 | 766.97 |
| Due to Micro enterprises and small enterprises* | - | - | - | - | - |
| **Total trade payables** | **2,076.48** | **2,092.80** | **1,292.08** | **933.25** | **766.97** |

*There is no amount due to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprise Development Act, 2006". The information has been determined to the extent such parties have been identified on the basis of information available with the Group.

**Other Financial Liabilities :**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Current maturities of borrowings (Refer Annexure XIV) | | | | | |
| Term loans from banks | 56.97 | 153.31 | 99.67 | 70.21 | 34.01 |
| Other loans | 1.65 | 1.49 | 1.23 | 1.20 | - |
| Preference Shares | - | - | - | 14.10 | - |
| Finance lease obligations | 125.62 | 115.84 | 109.04 | 100.49 | 152.61 |
| Interest accrued but not due preference share dividend | - | 9.50 | 9.50 | 9.50 | 9.50 |
| Other liabilities | 1.57 | 1.75 | 23.01 | 1.11 | 2.11 |
| Security deposits | 48.22 | 20.48 | 24.95 | 34.12 | 27.20 |
| **Total Other Financial Liabilities** | **234.03** | **302.37** | **267.40** | **230.73** | **225.43** |

**Other Current Liabilities** **(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Statutory liabilities | 20.42 | 9.70 | 20.68 | 2.25 | 3.44 |
| Unfinished voyage income | 105.71 | 58.12 | 57.51 | 70.87 | 40.28 |
| Security Deposits | 1.44 | 2.19 | 2.79 | - | - |
| Advances from Customers | 66.26 | 41.65 | 62.80 | 44.15 | 9.78 |
| **Total** | **193.83** | **111.66** | **143.78** | **117.27** | **53.50** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XVII**
**Restated Ind AS Consolidated Statement of Revenue**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **Sales of services:** | | | | | |
| Domestic service income | 6,284.36 | 4,453.27 | 3,330.12 | 2,804.23 | 2,269.24 |
| Liner income | 6,961.95 | 5,105.51 | 5,058.45 | 5,059.36 | 4,301.52 |
| Trailer income | 177.17 | 110.85 | 109.10 | 156.66 | 193.41 |
| Rail domestic income | - | - | - | 40.78 | 75.93 |
| Freight forwarding income | 567.03 | 573.85 | 787.21 | 812.79 | 1,053.42 |
| **Total** | **13,990.51** | **10,243.48** | **9,284.88** | **8,873.82** | **7,893.52** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XVIII**
**Restated Ind AS Consolidated Statement of Other Income**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **II. Other Income** | | | | | |
| Interest income earned on financial assets that are not designated as FVTPL | | | | | |
| - Bank deposits | 2.03 | 2.47 | 3.38 | 5.04 | 1.65 |
| - Others | - | 0.77 | - | - | - |
| Rental income from investment property | 14.31 | 14.55 | 13.12 | 10.25 | 8.35 |
| Interest on income tax refund | - | - | 1.23 | 0.91 | - |
| Gain on sale of property, plant and equipment | 26.94 | 7.96 | 19.20 | 7.45 | 18.16 |
| Profit on sale of investments | - | - | - | 0.01 | - |
| Exchange rate fluctuation (net) | 6.26 | 21.18 | 8.72 | 29.73 | 0.08 |
| Dividend income | - | 0.13 | 0.81 | 0.33 | - |
| Freight tax refund | - | 32.98 | - | - | - |
| Other income | 24.82 | 2.24 | 2.77 | 2.98 | 27.96 |
| **Total** | **74.36** | **82.28** | **49.23** | **56.70** | **56.20** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XIX**
**Restated Ind AS Consolidated Statement of Freight Expenses and Other Operating Expenses**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the Year Ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Freight expenses** | | | | | |
| Ocean freight charges | 5,492.89 | 4,275.99 | 3,993.41 | 3,705.29 | 2,905.33 |
| Transportation expenses | 1,654.69 | 1,166.48 | 703.10 | 745.60 | 730.75 |
| Terminal handling charges | 1,334.70 | 1,422.45 | 1,160.39 | 915.03 | 706.90 |
| Freight forwarding expenses | 510.83 | 442.23 | 688.38 | 676.20 | 955.21 |
| Other direct expenses | 11.04 | 22.56 | 13.00 | 8.35 | 8.23 |
| **Total** | **9,004.15** | **7,329.71** | **6,558.28** | **6,050.47** | **5,306.42** |

**Restated Ind AS Consolidated Statement of Other Operating Expenses**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the Year Ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Other Operating expenses** | | | | | |
| Container lease rent | 265.72 | 363.83 | 441.62 | 390.38 | 726.69 |
| Container handling and storage charges | 2,786.41 | 1,161.82 | 899.92 | 987.40 | 408.59 |
| Container repairs and survey charges | 81.79 | 49.60 | 34.40 | 36.91 | 22.98 |
| Agency fees/brokerage | 133.15 | 153.18 | 214.71 | 245.61 | 211.29 |
| Container/ Cargo Insurance | 17.74 | 5.35 | 6.02 | 7.60 | 4.69 |
| Other expenses | 25.76 | 32.75 | 37.47 | 3.75 | 4.85 |
| **Total** | **3,310.57** | **1,766.53** | **1,634.14** | **1,671.65** | **1,379.09** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XX**
**Restated Ind AS Consolidated Statements of Employee Benefit Expense**

**Employee Benefit Expense:**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the Year Ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Salaries, wages and bonus | 448.06 | 350.75 | 344.51 | 314.59 | 308.72 |
| Contribution to provident and other funds (refer Annexure XXX) | 9.44 | 5.17 | 5.90 | 5.45 | 5.95 |
| Staff welfare expenses | 9.20 | 4.50 | 6.10 | 12.07 | 15.05 |
| **Total** | **466.70** | **360.42** | **356.51** | **332.11** | **329.72** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXI**
**Restated Ind AS Consolidated Statements of Other Expenses**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the year ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Professional and consultancy fees | 64.90 | 70.06 | 73.38 | 52.64 | 45.45 |
| Rent | 38.27 | 34.93 | 33.96 | 29.33 | 29.59 |
| Travelling and conveyance | 31.94 | 20.11 | 18.08 | 18.52 | 21.10 |
| Repairs and maintenance others | 22.39 | 14.95 | 12.05 | 9.80 | 10.93 |
| Business promotion expenses | 20.14 | 4.46 | 4.86 | 18.57 | 9.29 |
| Communication expenses | 14.27 | 12.93 | 13.81 | 11.62 | 11.06 |
| Vehicle lease rent | 2.09 | 3.46 | 3.56 | 3.32 | 3.07 |
| Management fees | 148.05 | 112.76 | 116.37 | 79.05 | 76.63 |
| Director sitting fees | 3.38 | 2.83 | 1.96 | 1.57 | 0.91 |
| Printing and stationery | 6.21 | 4.34 | 3.91 | 2.92 | 4.19 |
| Payment to auditors (refer footnote 'a' below) | 28.86 | 6.81 | 5.39 | 5.60 | 4.61 |
| Bad debts written off | 9.08 | 8.79 | - | 1.31 | 6.17 |
| Allowance for expected credit losses | 20.60 | 12.94 | 9.55 | 8.05 | 3.07 |
| Rates and taxes | 6.82 | 3.54 | 4.53 | 0.69 | 3.60 |
| Electricity expenses | 9.54 | 8.52 | 8.15 | 8.36 | 8.32 |
| Insurance expenses | 7.00 | 3.47 | 2.47 | 2.25 | 2.17 |
| Bank charges | - | - | 2.88 | 1.80 | 1.58 |
| Donation | 0.10 | 0.01 | 0.01 | 0.05 | - |
| Loss on sale/ discard of assets | - | - | 3.01 | 0.02 | 1.19 |
| Loss on exchange rate variation (net) | - | - | - | - | 0.60 |
| Corporate social responsibility expenditure ** | 1.00 | 0.50 | - | - | - |
| Operating expenses arising from investment propoerty | 5.10 | 5.70 | - | - | - |
| Miscellaneous expenses | 51.29 | 46.38 | 51.81 | 34.11 | 35.31 |
| **Total** | **491.03** | **377.49** | **369.74** | **289.58** | **278.84** |

| | | | | | |
|---|---|---|---|---|---|
| **Payment to auditors** | | | | | |
| Statutory audit fees | 27.38 | 6.26 | 5.11 | 5.38 | 4.23 |
| Tax audit fees | 0.30 | 0.29 | 0.16 | 0.13 | 0.19 |
| Fees for certification and others | 1.00 | 0.06 | 0.05 | 0.04 | 0.15 |
| Out of pocket reimbursements | 0.18 | 0.20 | 0.07 | 0.05 | 0.04 |
| **Total** | **28.86** | **6.81** | **5.39** | **5.60** | **4.61** |

| | | | | | |
|---|---|---|---|---|---|
| ****Details of Corporate Social Resposibility ('CSR') expenditure** | | | | | |
| (a) Gross amount required to be spent | 1.70 | 1.44 | 1.58 | 0.93 | - |
| (b) Amount actually spent on activities | | | | | |
| On construction/ acquisition of any asset | - | - | - | - | - |
| On purpose other than stated above | 1.00 | 0.50 | - | - | - |
| (c) Amount yet to be spent during the period | 0.70 | 0.94 | 1.58 | 0.93 | - |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXII**
**Restated Ind AS Consolidated Statements of Finance Cost**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the Year Ended | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| Interest on borrowings | | | | | |
| From banks | 31.02 | 44.37 | 46.74 | 42.89 | 31.88 |
| From others | 0.32 | 0.51 | 0.61 | 4.01 | - |
| From related party | - | - | - | - | 4.66 |
| Interest on finance lease obligation | 40.81 | 52.09 | 44.79 | 40.53 | 57.39 |
| Dividend on redeemable preference share capital | 10.06 | 11.43 | 11.43 | 11.43 | 11.11 |
| Premium on redemption of preference shares | - | - | 0.64 | 1.22 | 1.12 |
| **Total** | **82.21** | **108.40** | **104.21** | **100.08** | **106.16** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIII**
**Notes to Restated Ind AS Consolidated Statement of Leases**

**a) Finance lease commitments**

The Group has taken Containers on finance lease for the period of 5 - 8 years with an option to purchase them at the end of lease tenure at a price sufficiently lower than fair value (refer Annexure VIII). Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

**(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| **Future minimum lease payments (MLP)** | | | | | |
| a) Within one year | 157.04 | 156.93 | 160.10 | 127.01 | 192.17 |
| b) Later than one but not later than five years | 327.69 | 431.04 | 545.43 | 277.15 | 331.65 |
| c) Later than five years | 30.51 | 83.81 | 140.23 | 17.42 | 69.59 |
| **Present value of MLP** | | | | | |
| a) Within one year | 125.62 | 115.84 | 109.04 | 100.49 | 152.61 |
| b) Later than one but not later than five years | 278.89 | 355.89 | 435.95 | 229.74 | 264.82 |
| c) Later than five years | 29.62 | 77.93 | 124.94 | 16.98 | 65.65 |
| **Interest element of MLP** | | | | | |
| a) Within one year | 31.41 | 41.08 | 51.05 | 26.52 | 39.56 |
| b) Later than one but not later than five years | 48.81 | 75.17 | 109.50 | 47.41 | 66.84 |
| c) Later than five years | 0.89 | 5.87 | 15.28 | 0.44 | 3.95 |

**b) Operating lease commitments:**
The Group has taken containers on cancellable and non cancellable operating lease and the lease rental as mentioned in below table is charged to the Restated Ind AS Consolidated Statement of Profit and Loss.

**(Rupees in million, unless otherwise stated)**

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Container lease rent | 265.72 | 363.83 | 441.62 | 390.38 | 726.69 |

The Group's operating lease arrangements are in respect of containers, office premises and vehicles.
The Company has entered into cancellable and non-cancellable operating leasing arrangements for its various office premises. The lease expense recognised for cancellable and non cancellable agreements and charged to Restated Ind AS Consolidated Statement of Profit and Loss from FY 2014 to 2018 is mentioned in the below table.

**(Rupees in million, unless otherwise stated)**

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Office lease rent | 38.27 | 34.93 | 33.96 | 29.33 | 29.59 |

The minimum future lease rentals payable in respect of non-cancellable lease periods for containers and office premises are as follows :

**(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| a) Within one year | 183.42 | 120.92 | 69.11 | 184.76 | 180.99 |
| b) Later than one but not later than five years | 232.04 | 198.80 | 150.65 | 455.81 | 545.81 |
| c) Later than five years | 53.15 | - | - | - | - |

The Group has taken vehicles on cancellable operating lease and the lease rental are as follows:

**(Rupees in million, unless otherwise stated)**

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| **Vehicle lease rent** | 2.09 | 3.46 | 3.56 | 3.32 | 3.07 |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Consolidated Statement of Related Party Transactions**

Related party disclosures, as required by notified Ind-AS 24 - "Related Party Disclosures" are given below:

**a) Names of related parties and description of relationship:**

| Particulars | Name of the related party |
|---|---|
| Ultimate Holding Company | Transworld Holdings Limited, Mauritius |
| Holding Company | Shreyas Shipping & Logistics Limited (till 26th March 2017)<br>Transworld Holdings Limited, Mauritius (wef 27th March 2017) |
| Entity having significant influence | Shreyas Shipping & Logistics Limited (wef 27th March 2017) |
| Subsidiary company | BSL Freight Solutions Private Limited ('BSLFSPL')<br>(Note: The investment in the subsidiary was held and sold by Avana Global FZCO before it was acquired by Avana Logistek Limited. Accordingly the subsidiary was not consolidated by Avana Logistek Limited.) |
| Fellow subsidiary company* | Transworld Feeders FZCO (earlier known as Orient Express Lines FZCO)<br>Balaji Shipping Line FZCO (till 26 March 2017)<br>Transworld Saudi Arabia (till 26 March 2017)<br>Transworld Shipping Trading and Logistics Services LLC, Oman (till 26th March 2017)<br>BSL Freight Solutions Private Limited (wef 3 March 2017)<br>SRS Freight Management Limited (wef 30 Oct 2016)#<br>Encore Pierian Logistics Business Services Limited (wef 4 May 2016)<br>Transworld Shipping Agencies Private Limited |
| Key management personnel* | Mr. S. Ramakrishnan (Chairman)<br>Mrs. Geeta Ramakrishnan<br>Mr. S Mahesh (resigned on 1 December 2016)<br>Mr. V. Ramnarayan (resigned on 21 February 2018)<br>Mr. Ritesh Ramakrishnan<br>Mr. S. Ragothaman<br>Mr. D.T.Joseph<br>Mr. Hari Padmanabhan<br>Mr. Amitabha Ghosh<br>Mrs. Ravi Jadhav<br>Mr Anil Mishra (wef 13 November 2017)<br>Mr. S. Varadarajan (CEO) (promoted as Managing Director wef 1 March 2018)<br>Mrs.Rajna Ganesh (CFO) (resigned on 31 January 2018)<br>Mr Sanjay Bohra (CFO) (wef 20 February 2018)<br>Mr Eng Azmi Bin Abdul Rehman Bin Issa Al-Dehaim<br>Mrs. Nikita Singh (Company Secretary) (till on 8 May 2018)<br>Mrs. Namrata Malushte (Company Secretary) (wef 8 May 2018) |
| Relatives of key managerial personnel* | Mrs. Saraswathi Ramanath<br>Mr. Raghav Ganesh<br>Mrs. Sapna S Bohra |
| Other related parties* | Albatross Shipping Limited<br>BSL Freight Solutions Private Limited (till 3rd March 2017)<br>Clarion Shipping Private Limited, Colombo<br>Crescent Shipping Agency (I) Limited<br>Encore Pierian Logistics Business Services Limited (till 3 May 2016)<br>Orient Express Lines (Singapore) Pte. Ltd<br>Relay Shipping Agency Limited<br>Sivaswamy Holdings Private. Limited<br>TLPL Shipping and Logistics Private Limited<br>Transworld GLS (I) Private. Limited<br>Transworld Shipping & Logistics LLC, Dubai (till 26th March 2017)<br>Transworld Logistics FZE<br>Transworld Logistics & Shipping Service Inc, USA |

* Related parties with whom transactions have taken place during the years

**b) Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the periods ended 31 December 2017, 31 March 2017, 2016, 2015, 2014 and 2013 the Company has not recorded any impairment of receivables relating to amounts owed by related parties . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**c) Summary of transactions with the above related parties are as follows:**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Domestic service income** | **30.67** | **36.33** | **16.87** | **8.46** | **1.18** |
| TLPL Shipping and Logsitics Private Limited | 30.67 | 36.33 | 16.87 | 7.79 | - |
| Shreyas Shipping & Logistics Limited | - | - | - | 0.19 | 1.15 |
| Others | - | - | - | 0.48 | 0.03 |
| **Liner income** | **1.24** | **16.99** | **27.86** | **44.62** | **21.54** |
| Albatross Shipping Limited | - | - | - | - | 2.94 |
| TLPL Shipping and Logsitics Private Limited | 0.11 | 6.07 | 12.36 | 3.96 | 0.04 |
| Transworld GLS (I) Private Limited | - | - | 4.34 | - | - |
| BSL Freight Solutions Private Limited | 1.13 | 2.58 | - | - | - |
| Transworld Feeders FZCO | - | 8.16 | 8.73 | 33.50 | 18.56 |
| Others | - | 0.18 | 2.43 | 7.16 | - |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Consolidated Statement of Related Party Transactions**
**c) Summary of transactions with the above related parties are as follows: (Continued)**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Rental income** | **-** | **2.37** | **2.53** | **2.47** | **2.65** |
| Transworld Holdings Limited | - | 2.37 | 2.53 | 2.47 | 2.65 |
| **Freight forwarding income** | **18.17** | **6.68** | **6.74** | **1.97** | **11.41** |
| Albatross Shipping Limited | - | 0.00 | 0.21 | 0.42 | 1.28 |
| Shreyas Shipping & Logistics Ltd | - | 0.38 | - | - | - |
| Transworld Logistics FZE | 18.17 | - | - | - | - |
| Transworld GLS (India) Pvt Ltd | - | - | - | - | 5.51 |
| Transworld Logistics and Shipping Services Inc | - | 0.01 | 0.04 | 1.45 | 0.90 |
| Transworld Logistics & Shipping Services Inc | - | 3.31 | 5.48 | - | 2.61 |
| BSL Freight Solutions Private Limited | - | 2.24 | - | - | - |
| TLPL Shipping and Logistics Private Limited | - | 0.12 | 1.01 | - | - |
| Others | - | 0.62 | - | 0.10 | 1.11 |
| **Ocean freight charges** | **5,148.79** | **3,503.19** | **2,925.64** | **2,901.67** | **2,995.73** |
| Shreyas Shipping & Logistics Limited | 2,901.72 | 2,035.97 | 1,630.90 | 1,425.36 | 1,230.80 |
| Transworld Feeders FZCO | 2,244.03 | 1,449.04 | 1,259.10 | 1,417.09 | 1,662.22 |
| Orient Express Lines(Singapore) Pte Ltd | 3.04 | 8.46 | 16.47 | 29.61 | - |
| Others | - | 9.72 | 19.17 | 29.61 | 102.71 |
| **Terminal handling charges** | **20.49** | **21.52** | **18.50** | **11.96** | **20.39** |
| Shreyas Shipping & Logistics Limited | 20.15 | 20.83 | 10.77 | 8.83 | 17.23 |
| Relay Shipping Agency Limited | - | - | - | - | 2.39 |
| TLPL Shipping and Logsitics Private Limited | - | - | 6.61 | - | - |
| Transworld Feeders FZCO | 0.32 | 0.47 | 0.78 | 0.45 | - |
| Transworld Shipping & Logistics Limited | - | - | - | 2.14 | - |
| Others | 0.02 | 0.22 | 0.34 | 0.54 | 0.77 |
| **Agency fees** | **87.83** | **64.71** | **82.05** | **107.20** | **81.14** |
| Albatross Shipping Limited | - | 0.25 | 46.69 | 93.00 | 74.45 |
| Clarion Shipping Private Limited, Colombo | 8.16 | 11.09 | 10.65 | 11.89 | 6.69 |
| BSL Freight Solutions Private Limited | 36.01 | 49.85 | 21.11 | - | - |
| Transworld Feederz FZCO | 19.47 | - | - | - | - |
| Transworld Shipping and Logistics WLL, Qatar | 24.19 | - | - | - | - |
| Others | - | 3.52 | 3.60 | 2.31 | - |
| **Freight forwarding expenses** | **-** | **9.19** | **5.45** | **7.80** | **70.77** |
| Albatross Shipping Limited | - | - | 1.45 | - | 2.68 |
| BSL Freight Solutions Pvt Ltd | - | 1.43 | 2.09 | - | - |
| Transworld Logistics and Shipping Services Inc | - | 6.38 | 1.50 | 2.95 | 59.28 |
| Transworld Logistics FZE | - | - | - | 2.95 | - |
| Transworld Shipping & Logistics Ltd | - | - | 0.17 | 1.90 | 3.21 |
| Others | - | 1.38 | 0.24 | - | 5.60 |
| **Container handling and storage charges** | **-** | **-** | **0.46** | **-** | **31.90** |
| Admec Logistics Limited | - | - | - | - | 2.79 |
| Shreyas Shipping & Logistics Limited | - | - | - | - | 0.03 |
| TLPL Shipping and Logsitics Private Limited | - | - | 0.46 | - | - |
| Transworld Feeders FZCO | - | - | - | - | 29.04 |
| Others | - | - | - | - | 0.04 |
| **Container repairs and survey charges** | **-** | **-** | **-** | **-** | **2.86** |
| Admec Logistics Limited | - | - | - | - | 2.86 |
| **Other expenses** | **-** | **7.52** | **4.38** | **2.16** | **0.15** |
| Shreyas Shipping & Logistics Limited | - | 0.42 | - | 0.25 | - |
| Relay Shipping Agency Limited | - | - | - | - | 0.14 |
| Encore Pierian Logistics Business Services Limited | - | 7.01 | 4.01 | 1.91 | - |
| Transworld Feeders FZCO | - | - | 0.01 | - | - |
| TLPL Shipping and Logsitics Private Limited | - | - | 0.36 | - | - |
| Others | - | 0.09 | - | - | 0.01 |
| **Trailer expenses** | **-** | **1.07** | **0.96** | **0.89** | **-** |
| Encore Pierian Logistics Business Services Limited | - | 1.07 | 0.96 | 0.89 | - |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Consolidated Statement of Related Party Transactions**

**c) Summary of transactions with the above related parties are as follows: (Continued)** **(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Transportation expenses** | **-** | **0.34** | **0.52** | **-** | **14.27** |
| Admec Logistics Limited | - | - | - | - | 13.92 |
| Shreyas Shipping & Logistics Limited | - | - | - | - | 0.35 |
| TLPL Shipping and Logsitics Private Limited | - | 0.34 | 0.52 | - | - |
| **Professional fees** | **3.63** | **15.78** | **19.11** | **1.38** | **-** |
| Encore Pierian Logistics Business Services Limited | 3.63 | 15.78 | 19.11 | 1.38 | - |
| **Management fees** | **153.37** | **95.91** | **76.84** | **75.95** | **70.88** |
| Transworld Holdings Limited | 150.72 | 95.91 | 76.84 | 75.95 | 70.88 |
| Eng Azmi Bin Abdul Rehman Bin Issa Al-Dehaim | 2.65 | - | - | - | - |
| **Rent paid** | **-** | **13.20** | **12.90** | **14.29** | **14.38** |
| Sivaswamy Holdings Private Limited | | 7.53 | 7.43 | 8.84 | 9.43 |
| Transworld Logistics FZE | | 5.05 | 4.89 | 4.78 | 4.75 |
| Others | | 0.62 | 0.58 | 0.67 | 0.20 |
| **Travelling and conveyance** | | **-** | **0.13** | **0.49** | **-** |
| Sivaswamy Holding Pvt.Ltd. | | - | 0.13 | 0.49 | - |
| **Vehicle lease rent** | **1.85** | **1.58** | **1.56** | **0.94** | **0.60** |
| Saraswathi Ramanath | 1.08 | 1.09 | 1.08 | 0.59 | 0.60 |
| Raghav Ganesh | 0.24 | 0.49 | 0.48 | 0.35 | - |
| Sapna S Bohra | 0.53 | - | - | - | - |
| **Recovery of expenses** | **-** | **-** | **0.19** | **-** | **-** |
| Shreyas Shipping & Logistics Limited | - | - | 0.19 | - | - |
| **Recovery of income** | **-** | **-** | **0.11** | **-** | **-** |
| Encore Pierian Logistics Business Services Limited | - | - | 0.00 | - | - |
| Relay Shipping Agency Limited | - | - | 0.02 | - | - |
| Shreyas Shipping & Logistics Limited | - | - | 0.09 | - | - |
| **Unsecured loan repaid** | **-** | **-** | **30.00** | **40.00** | **-** |
| Transworld Shipping and logistics Ltd | - | - | 10.00 | 20.00 | - |
| Crescent Shipping Agency (I) Ltd. | - | - | 20.00 | 20.00 | - |
| **Interest on unsecured Loan** | **-** | **-** | **4.28** | **3.24** | **4.66** |
| Shreyas Shipping & Logistics Limited | - | - | - | - | 4.66 |
| Transworld Shipping and logistics Ltd | - | - | 2.56 | - | - |
| Crescent Shipping Agency (I) Ltd. | - | - | 1.72 | - | - |
| Transworld Shipping and logistics Ltd | - | - | - | 1.62 | - |
| Crescent Shipping Agency (I) Ltd. | - | - | - | 1.62 | - |
| **Duty credit transfer** | **-** | **-** | **2.80** | **-** | **-** |
| Shreyas Shipping & Logistics Limited | - | - | 2.80 | - | - |
| **Sale of fixed assets** | **-** | **-** | **-** | **-** | **0.07** |
| Sivaswamy Holdings Private Limited | - | - | - | - | 0.07 |
| **Remuneration to KMP** | **21.44** | **25.73** | **23.03** | **18.08** | **15.56** |
| **Director sitting fees** | **3.41** | **2.82** | **1.85** | **1.44** | **0.82** |
| S. Ramakrishnan | 0.26 | 0.16 | 0.07 | 0.12 | 0.08 |
| Ritesh Ramakrishnan | 0.71 | 0.52 | 0.15 | 0.11 | 0.18 |
| Amitabha Ghosh | 0.58 | 0.47 | 0.24 | 0.16 | 0.08 |
| D.T. Joseph | 0.59 | 0.49 | 0.43 | 0.30 | 0.18 |
| S. Ragothaman | 0.74 | 0.64 | 0.39 | 0.26 | 0.10 |
| Hari Padmanabhan | 0.20 | 0.30 | 0.17 | 0.13 | 0.06 |
| Rani Jadhav | 0.25 | 0.19 | 0.10 | 0.07 | - |
| S Mahesh | - | 0.05 | 0.07 | 0.10 | 0.04 |
| Anand Krishnan | - | - | 0.23 | 0.19 | 0.10 |
| Anil Gupta | 0.08 | - | - | - | - |
| **Dividend paid on preference shares** | **8.36** | **9.50** | **9.50** | **9.50** | **9.50** |
| Crescent Shipping Agency (I) Limited | 4.18 | 4.75 | 4.75 | 4.75 | 4.75 |
| Transworld Shipping & Logistics Limited | 4.18 | 4.75 | 4.75 | 4.75 | 4.75 |
| **Equity shares issued** | **-** | **3,589.01** | **-** | **-** | **70.00** |
| Shreyas Shipping & Logistics Limited(on conversion of loan) | - | - | - | - | 70.00 |
| Transworld Holdings Limited, Mauritius | - | 3,589.01 | - | - | - |
| **Equity interim dividend paid** | **-** | **-** | **-** | **2.45** | **-** |
| Shreyas Shipping & Logistics Limited | - | - | - | 2.45 | - |
| **Equity final dividend paid** | **5.42** | **732.95** | **13.54** | **19.61** | **9.75** |
| Transworld Holdings Limited | 0.17 | 732.95 | 10.04 | 19.61 | 9.75 |
| Shreyas Shipping & Logistics Limited | 5.25 | - | 3.50 | - | - |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Consolidated Statement of Related Party Transactions**

**c) Summary of transactions with the above related parties are as follows: (Continued)** **(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Sale of non current trade investment (including profit on sale of investment)** | **-** | **21.20** | **-** | **-** | **-** |
| BSL Freight Solutions Private Limited | - | 21.20 | - | - | - |
| **Interest on delay in receipts of proceeds from sale of non current investments** | **-** | **0.77** | **-** | **-** | **-** |
| BSL Freight Solutions Private Limited | - | 0.77 | - | - | - |
| **Documentation charges** | **-** | **2.75** | **28.59** | **-** | **-** |
| Transworld Logistics and Shipping Services Inc | - | 1.60 | 28.32 | - | - |
| Transworld GLS (I) Private Limited | - | 0.53 | - | - | - |
| TLPL Shipping & Logistics Pvt. Ltd. | - | 0.38 | - | - | - |
| Others | - | 0.24 | 0.27 | - | - |
| **Expenses recharged to related parties** | **-** | **118.11** | **135.14** | **168.26** | **252.11** |
| Transworld Holdings Limited | - | 109.55 | 135.14 | 159.97 | 247.46 |
| Trasnworld Logistics FZE | - | 8.56 | - | 8.29 | 4.65 |
| **Miscellaneous expenses** | **-** | **-** | **-** | **0.04** | **0.07** |
| Transworld Management Consultancy P.Ltd | - | - | - | 0.03 | 0.06 |
| Orient Express Ship Management Ltd | - | - | - | 0.01 | 0.01 |
| **Redemption of preference shares** | **-** | **-** | **14.76** | **-** | **-** |
| Ramakrishnan Sivaswamy | - | - | 1.92 | - | - |
| Ramnarayan Varadharajan | - | - | 1.99 | - | - |
| Mahesh Sivaswamy | - | - | 2.29 | - | - |
| Sivaswamy Holdings P. Ltd | - | - | 7.38 | - | - |
| Murali Mahesh | - | - | 0.59 | - | - |
| Ritesh Ramakrishnan | - | - | 0.59 | - | - |
| **Issue of equity shares by subsidiary** | **-** | **-** | **14.76** | **-** | **-** |
| Ramakrishnan Sivaswamy | - | - | 1.92 | - | - |
| Ramnarayan Varadharajan | - | - | 1.99 | - | - |
| Mahesh Sivaswamy | - | - | 2.29 | - | - |
| Sivaswamy Holdings P. Ltd | - | - | 7.38 | - | - |
| Murali Mahesh | - | - | 0.59 | - | - |
| Ritesh Ramakrishnan | - | - | 0.59 | - | - |
| **Issue of preference shares** | **-** | **-** | **-** | **-** | **-** |
| Ramakrishnan Sivaswamy | - | - | - | - | - |
| Mahesh Sivaswamy | - | - | - | - | - |
| Sivaswamy Holdings P. Ltd | - | - | - | - | - |
| Murali Mahesh | - | - | - | - | - |
| Ritesh Ramakrishnan | - | - | - | - | - |
| **Trailer income** | **9.55** | **-** | **-** | **-** | **-** |
| Shreyas Shipping & Logistics Limited | 9.55 | - | - | - | - |
| **Guarantees received during the year** | **15.00** | **-** | **-** | **-** | **-** |
| Transworld Shipping & Logistics Limited | 15.00 | - | - | - | - |

**Footnotes**

1) Figures have been adjusted for exchange rate variations
2) Reimbursement of expenses/income incurred/earned by/to Group Companies is not included here.
3) Managerial remuneration excludes provision for gratuity and compensated absences since these are provided on the basis of actuarial valuation for the company as a whole.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Consolidated Statement of Related Party Transactions**

**d) Summary of balance receivable from / (payable to) the above related parties are as follows:**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| Transworld Holdings Limited | 89.92 | 6.65 | 779.33 | 649.96 | 499.69 |
| Albatross Shipping Limited | 4.75 | 33.97 | (30.95) | 201.14 | 101.54 |
| Transworld Logistics FZE | 70.14 | 24.78 | 57.03 | 127.96 | 88.40 |
| BSL Freight Solutions Private Limited | 338.03 | (7.67) | 255.42 | - | - |
| Transworld Projects FZE | 0.07 | 35.59 | 45.03 | 43.48 | 30.08 |
| Transworld Shipping and Logistics WLL, Qatar | 28.59 | 25.80 | 13.42 | - | - |
| TLPL Shipping and Logsitics Private Limited | 3.87 | 7.37 | (1.65) | 2.42 | (0.13) |
| Transworld Shipping & logistics Services LLC - Kenya | - | 0.78 | 0.77 | 0.75 | 0.72 |
| Transworld Logistics & Shipping Services | - | - | (0.06) | - | 3.31 |
| Alpha Auto Assist Vehicle Transportation LLC | - | 1.91 | - | - | - |
| Clarion Shipping Private Limited | (1.30) | 1.26 | (19.50) | 3.91 | 7.57 |
| Transworld Terminals Pvt Ltd | | - | - | 0.10 | - |
| Trident Trading Pvt Ltd | | - | - | - | 0.01 |
| Shreyas Shipping & Logistics Limited | (887.29) | (420.88) | (392.77) | (252.89) | (156.63) |
| Transworld Feeders FZCO | (168.94) | (271.81) | (225.99) | (226.16) | (161.53) |
| Orient Express Lines Inc | (4.62) | (10.55) | (5.07) | (5.13) | (5.33) |
| Transworld Logistics & Shipping Service Inc | 3.11 | 4.48 | 3.55 | (5.46) | (5.90) |
| Transworld Shipping and Logistics Limited | (0.64) | (0.15) | (9.98) | 0.03 | (2.49) |
| Orient Express Lines (Singapore) Pte Limited | | (1.49) | (3.49) | (4.23) | (1.06) |
| Encore Pierian Logistics Business Services Limited | 0.08 | (2.72) | (3.38) | 2.06 | - |
| Sivaswamy Holdings Private Limited | (2.74) | (0.03) | - | (0.14) | (2.04) |
| ADMEC Logistics Limited | | - | - | - | (0.34) |
| BLPL Logistics Singapore (PTE ) Ltd. | | - | - | (0.04) | (1.41) |
| Dana Kuwait Shipping and Forwarding Co. WLL | | - | - | - | (1.63) |
| Clarion Solution Ltd | | - | - | (0.01) | (0.99) |
| Crescent Shipping Agency (I) Ltd. | | - | - | - | (0.81) |
| Transworld Management Consultancy Pvt Ltd | (0.13) | (0.03) | (0.03) | (0.02) | (0.74) |
| Transworld GLS SDN BHD | | (0.11) | (0.11) | (0.11) | (0.26) |
| Relay Shipping Agency Limited | (0.05) | 0.01 | 0.00 | 0.12 | (0.09) |
| Orient Express Ship Management Limited | | - | (0.01) | (0.21) | (0.01) |
| Meridian Shipping Lines Pvt Ltd. | | - | - | - | (0.32) |
| Transworld GLS(I) Pvt Ltd | | - | - | (0.71) | 0.11 |
| Transworld Logistics Ltd | | - | - | - | (0.02) |
| Albatross Inland Ports Private Limited | 0.08 | - | - | - | - |
| Transworld Global Logistics Solutions India Pvt Limited | 0.05 | - | - | - | - |
| Transworld Shipping Agencies Private Limited | (0.07) | - | - | - | - |
| **Guarantees and collaterals released** | **15.00** | **176.89** | **251.51** | **171.86** | **167.57** |
| Transworld Shipping & Logistics Limited | 15.00 | - | - | - | - |
| Shreyas Shipping & Logistics Limited | - | 176.89 | 251.51 | 171.86 | 167.57 |

**Notes:**
1) Figures have been adjusted for exchange rate variations

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXV**
**Restated Ind AS Consolidated Statement of Contingent Liabilities and Capital Commitments**

**1. Contingent liabilities:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| (i) Claims against the Group not acknowledged as debt | | | | | |
| Matters related to service tax | 901.15 | 850.22 | 250.48 | 194.97 | 106.30 |
| Custom duty matters | - | - | - | 20.60 | - |
| On account of disputes in respect to Sales tax/VAT | 0.44 | 0.44 | 0.44 | 0.44 | 0.44 |
| Matters related to income tax | 69.21 | 69.21 | 69.21 | 69.21 | 69.21 |
| (ii) Bank guarantees | 21.42 | 21.41 | 29.00 | 21.04 | 21.12 |
| (iii) Others | - | - | 1.50 | 1.11 | 1.11 |
| **Total** | **992.22** | **941.28** | **350.63** | **307.37** | **198.18** |

**2. Commitments:** **(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 3.45 | - | - | - | - |
| **Total** | **3.45** | **-** | **-** | **-** | **-** |

**Notes:**
Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:
(i) parties are yet to raise claims on account of damages to the cargo, and
(ii) there is uncertainty as to the outcome of pending appeals or motions or settlement proceedings;
The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial position, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such year. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXVI**
**Consolidated Statement of Capitalisation**

**(Rupees in million, unless otherwise stated)**

| Particulars | Pre-Issue as at March 31, 2018 |
|---|---|
| **Debt:** | |
| **Non-current borrowings** | |
| Non-current portion (A) | 374.00 |
| Current maturities (B) | 184.24 |
| **Total Non-current borrowings (C) = (A + B)** | **558.24** |
| Current borrowings **(D)** | 212.44 |
| **Total debt (E) = (C) + (D)** | **770.68** |
| **Shareholders Funds:** | |
| Equity share capital | 119.76 |
| Other equity (as restated) | 1,396.09 |
| **Total Shareholders funds (F)** | **1,515.85** |
| | |
| **Non-current borrowings / Equity ratio (C / F)** | **0.37** |
| **Total borrowings/Equity ratio (E / F)** | **0.51** |

**Note:**
a) The corresponding Post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXVII**
**Restated Statement of Dividend Paid by the Company**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 (Proforma) |
| Number of equity shares outstanding | 1,19,76,050 | 1,19,76,050 | 35,00,000 | 35,00,000 | - |
| Dividend paid net of tax (Rs. In million) | 5.42 | | 3.50 | 2.45 | - |
| Rate of dividend (%) | 15%* | - | 10.00% | 7.00% | - |
| Tax on above dividend | 1.10 | - | 0.71 | 0.49 | - |
| Dividend per equity share | 1.50* | - | 1.00 | 0.70 | - |

* dividend on 84,76,050 shares was paid on pro-rata basis for shares issued during the year ended March 31, 2017. (refer annexure IV.I and XXXIV)
Notes:
1) Dividend paid refers to dividend actually paid during the respective years

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXVIII**
**Restated Ind AS Consolidated Statement of Tax Shelter**

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **A** | **Restated profit before tax** | 624.23 | 184.16 | 116.44 | 326.42 | 393.70 |
| **B** | Statutory tax rate (%) | 34.61% | 33.06% | 33.06% | 33.99% | 32.45% |
| **C** | Tax at statutory rate | 216.03 | 60.89 | 38.50 | 110.95 | 127.74 |
| | **Adjustment for Permanent differences** | | | | | |
| 1 | Provision for interest on preference shares | 10.06 | 11.43 | 11.43 | 11.44 | 11.09 |
| | Interest on TDS and professional tax | 0.84 | 1.91 | 13.85 | 0.09 | - |
| | Income exempt from tax of overseas components | (252.69) | (58.23) | (72.32) | (188.09) | (338.31) |
| | Income offset against brought forward business losses | - | - | (4.42) | (4.27) | (3.39) |
| | Effect of different tax rates in overseas components | (51.46) | (16.88) | (9.89) | (14.06) | (13.56) |
| | Others (net) | 5.75 | 4.75 | (0.88) | 2.88 | 8.17 |
| **D** | **Total Permanent differences** | **(287.50)** | **(57.02)** | **(62.23)** | **(192.01)** | **(336.00)** |
| | **Adjustment for Timing differences** | | | | | |
| 1 | Depreciation | (18.09) | (59.07) | (7.73) | (8.21) | (4.41) |
| 2 | Allowances for bad and doubtful debts and Expected credit loss allowance | 2.34 | (6.08) | 7.23 | 6.50 | 1.72 |
| 3 | Provision for customary bonus | 4.13 | 3.90 | (14.10) | 12.42 | 3.48 |
| 4 | Allowance for claims receivable | - | (0.73) | (0.06) | 0.76 | - |
| 5 | Provision for employee benefits | 3.48 | (0.45) | 1.12 | 0.47 | 0.71 |
| 6 | Impact of IND AS Adjustments (Refer note a) | (26.79) | 5.99 | (0.67) | 8.53 | (0.77) |
| **E** | **Total Timing differences** | **(34.93)** | **(56.44)** | **(14.21)** | **20.47** | **0.72** |
| **F** | **Net Adjustment (D + E)** | **(322.43)** | **(113.46)** | **(76.44)** | **(171.54)** | **(335.28)** |
| **G** | Tax expenses / (savings) thereon **(F * B)** | (111.58) | (37.48) | (25.24) | (58.32) | (108.78) |
| **H** | Recogntion / (availment) of Movement in MAT Credit | (1.25) | 1.15 | 0.20 | (2.85) | (6.41) |
| **I** | **Current tax (C + G)** | **103.20** | **24.56** | **13.46** | **49.78** | **12.55** |
| **I** | **Adjustment of tax relating to earlier years** | **0.51** | **0.33** | **(0.29)** | **1.35** | **0.92** |
| **J** | **Deferred tax on timing differences (E*B)** | 12.08 | 18.62 | 4.67 | (6.94) | (0.23) |
| **K** | **Recognition / (reversal) of MAT Credit** | 1.25 | (1.15) | (0.20) | 2.85 | 6.41 |
| **L** | **Deferred tax charge / (credit)** | 13.33 | 17.47 | 4.47 | (4.09) | 6.18 |
| **M** | **Total Tax Expenses (H+I+J)** | **117.04** | **42.36** | **17.64** | **47.04** | **19.65** |

**Notes:**

a) Ind AS adjustments includes effect of adopting percentage completion method for revenue recognition.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIX**
**Restated Ind AS Consolidated Statement of Accounting Ratios**

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | Reference | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|---|---|
| | | | | For the years ended | | | |
| 1 | Restated profit after tax attributable to owners of the Company (Rs. in million) | A | 492.62 | 135.54 | 88.62 | 272.48 | 370.45 |
| 2 | Less: Preference dividend for the year including tax thereon (Rs. in million) | B | - | - | - | - | - |
| 3 | Restated net profit available to owners of the Company (Rs. in million) | C = A + B | 492.62 | 135.54 | 88.62 | 272.48 | 370.45 |
| 4 | Number of equity shares outstanding at the beginning of the year | D | 1,19,76,050 | 35,00,000 | 35,00,000 | 35,00,000 | 35,00,000 |
| 5 | Number of equity shares issued during the year | | - | 84,76,050 | - | - | - |
| 6 | Number of equity shares outstanding at the end of the year | E | 1,19,76,050 | 1,19,76,050 | 35,00,000 | 35,00,000 | 35,00,000 |
| 7 | Number of equity shares outstanding at the end of the year adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018 | F | 3,59,28,150 | 3,59,28,150 | 1,05,00,000 | 1,05,00,000 | 1,05,00,000 |
| 8 | Weighted average number of equity shares outstanding during the year (refer note i below) | | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 |
| 9 | Adjustment pursuant to sub division of equity shares subsequent to the balance sheet date | | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 |
| 10 | Adjustment pursuant to aproval of issue of bonus shares subsequent to the balance sheet date | | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 | 1,19,76,050 |
| 11 | Weighted average number of equity shares outstanding during the year (adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018) considered for calculating basic earnings per share | G | 3,59,28,150 | 3,59,28,150 | 3,59,28,150 | 3,59,28,150 | 3,59,28,150 |
| 12 | Weighted average number of equity shares outstanding during the year (adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018) considered for calculating diluted earnings per share | H | 3,59,28,150 | 3,59,28,150 | 3,59,28,150 | 3,59,28,150 | 3,59,28,150 |
| 13 | Restated net worth (Rs. in million) | I | 1,515.85 | 1,031.55 | 1,510.87 | 1,350.69 | 1,023.27 |
| 14 | **Accounting ratios:** | | | | | | |
| | Basic earnings per share (Rs.) | C / G | 13.71 | 3.77 | 2.47 | 7.58 | 10.31 |
| | Diluted earnings per share (Rs.) | C / H | 13.71 | 3.77 | 2.47 | 7.58 | 10.31 |
| | Return on net worth (%) | A / I | 32.50% | 13.14% | 5.87% | 20.17% | 36.20% |
| | Net asset value per share (Rs.) | I / F | 42.19 | 28.71 | 143.89 | 128.64 | 97.45 |

**Notes:**
The above ratios have been computed on the basis of the Restated Summary Statements - Annexure I & Annexure II.

The ratios have been computed as below:

a) Basic Earnings per share (Rupees) = $\frac{\text{Restated net profit available to owners of the Company}}{\text{Weighted average number of equity shares outstanding during the year (adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018) considered for calculating basic earnings per share}}$

b) Diluted Earnings per share (Rupees) = $\frac{\text{Restated net profit available to owners of the Company}}{\text{Weighted average number of equity shares outstanding during the year (adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018) considered for calculating diluted earnings per share}}$

c) Return on net worth (%) = $\frac{\text{Restated net profit available to owners of the Company}}{\text{Restated net worth at the end of the year}}$

d) Net asset value per share (Rupees) = $\frac{\text{Restated net worth at the end of the year}}{\text{Number of equity shares outstanding at the end of the year adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018}}$

e) Restated Net Worth = Paid up share capital + Shares pending issuance + Reserves and surplus (Securities premium account + Capital redemption reserve + Capital reserve on consolidation + Statutory reserve + Retained earnings + Foreign currency translation reserve).

f) Earnings per share calculations are in accordance with Ind AS 33 - Earnings per share, notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. As per Ind AS 33, in case of bonus shares and share split,the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

g) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number

h) Subsequent to March 31, 2018, and before the date of approval of these Restated Financial Information on April 30, 2018, the Company split the equity share having face value of Rs.10 per share into 2 equity shares with a face value of Rs. 5 per equity share. Further, Company issued 1 bonus share for every two shares held, to the existing shareholders by way of capitalization of Securities Premium Account which has been approved at the Extraordinary General Meeting held by the Company on April 30, 2018. For the purpose of EPS, the per share calculation for all the periods covered here are based on the new number of shares after giving impact for split and issuance of bonus shares respectively as required by the provision of Ind AS 33.

i) The Group has accounted for the acquisition of Avana Global FZCO and its subsidiaries ("Avana Global Group") as entities involving common control business combination following the pooling of interest method by restating the previous period presented in the financial statements as if the business combination had occurred from the beginning of the previous period (i.e. 1st April,2013). Accordingly, the shares issued towards consideration for acquisition of Avana Global FZCO Group have been considered from the beginning of the previous period for the calculation of basic and diluted earnings per share.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXX**
**Notes to Restated Ind AS Consolidated Statements**

**1. Employee benefits**

**a) Defined contribution plans**

Eligible employees of the Group receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Group make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Group has no further obligation beyond making its contribution. The Group's monthly contributions are charged to Statement of Profit and Loss in the period in which they are incurred;

**(Rupees in million, unless otherwise stated)**

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 | Year ended 31 March 2015 | Year ended 31 March 2014 |
|---|---|---|---|---|---|
| Employer's contribution to provident fund | 8.16 | 3.75 | 4.80 | 4.41 | 4.94 |

**b) Defined benefit plan**

In accordance with Indian Law or based on Gratuity Scheme, the Group provides for the 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. Vesting occurs upon completion of 5 continuous years of service under The Payment of Gratuity Act.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate,it will create a plan deficit. Currently the plan assets are managed by Life Insurance Corporation of India as part of their Group Gratuity Scheme. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

Accumulated leave may be availed by an employee during the period of his service and may be encashed on seperation (i.e. due to death, retirement, superannuation or resignation).

Compensated absences which are not expected to be encashed or availed within twelve months of the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2018 by Mr. Arpan N. Thanawala, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service costs and past service cost, are measured using the projected unit credit method.

**i) Gratuity (funded)**

Amounts recognised in Statement of Profit and Loss in respect of these defined benefits plans are as follows

**(Rupees in million, unless otherwise stated)**

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| **Service cost** | | | | | |
| Current service cost | 1.25 | 1.21 | 1.08 | 1.14 | 1.03 |
| Interest cost | 0.03 | 0.21 | 0.02 | (0.10) | (0.02) |
| **Component of defined benefit cost recognized in Statement of Profit and Loss** | **1.28** | **1.42** | **1.10** | **1.04** | **1.01** |
| Remeasurement of the net defined benefit liability due to: | | | | | |
| Return on plan assets (excluding amounts included in interest income) | (0.09) | (0.29) | (0.02) | 0.04 | (0.06) |
| Actuarial (gain)/loss on defined benefit obligation | 4.11 | 0.26 | 1.80 | 0.90 | (0.31) |
| **Components of defined benefit costs recogised in other comprehensive income** | **4.02** | **(0.03)** | **1.78** | **0.94** | **(0.37)** |

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the Restated IND AS Consolidated Statement of Profit and Loss. Refer Annexure XX.

The remeasurement of the net defined liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

**(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Present value of funded defined benefit obligation | 24.56 | 13.47 | 11.52 | 8.91 | 7.63 |
| Fair value of plan assets | 19.50 | 11.99 | 7.59 | 7.53 | 7.64 |
| **Net liability / (asset) arising from defined benefit obligation** | **5.06** | **1.48** | **3.93** | **1.38** | **(0.01)** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXX**
**Notes to Restated Ind AS Consolidated Statements**

Movements in the present value of the defined benefit obligations are as follows: **(Rupees in million, unless otherwise stated)**

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Opening defined benefit obligations | 13.47 | 11.52 | 8.91 | 7.63 | 6.59 |
| Current service cost | 1.25 | 1.21 | 1.08 | 1.14 | 1.50 |
| Interest cost | 0.66 | 0.62 | 0.61 | 0.58 | 0.47 |
| Actuarial (gain)/loss on defined benefit obligation | (0.39) | 0.26 | 1.66 | 0.30 | (0.31) |
| Adjustment on disposal of subsidiary | - | (0.35) | - | - | - |
| Benefits paid | (1.43) | (0.42) | (0.74) | (0.23) | (0.62) |
| Liabilities assumed / (settled)* | 6.50 | 0.63 | - | (0.51) | - |
| Experience adjustment | 4.50 | - | - | - | - |
| **Closing defined benefit obligation** | **24.56** | **13.47** | **11.52** | **8.91** | **7.63** |

* On account of inter-group transfer

Movements in the fair value of the plan assets are as follows: **(Rupees in million, unless otherwise stated)**

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Opening fair value of plan assets | 11.99 | 7.59 | 7.53 | 7.64 | 6.13 |
| Employer contribution | 1.72 | 3.94 | 0.21 | - | 1.58 |
| Interest income | 0.63 | 0.41 | 0.59 | 0.68 | 0.49 |
| Return on plan assets (excluding amounts included in net interest income) | 0.09 | 0.29 | 0.00 | (0.05) | 0.06 |
| Adjustment on disposal of subsidiary | - | (0.45) | - | - | - |
| Benefits paid | (1.43) | (0.42) | (0.74) | (0.23) | (0.62) |
| Assets acquired / (settled)* | 6.50 | 0.63 | - | (0.51) | - |
| **Closing fair value of plan assets** | **19.50** | **11.99** | **7.59** | **7.53** | **7.64** |

* On account of inter group transfer

The fair value of major categories of plan assets are as follows: **(Rupees in million, unless otherwise stated)**

| | **Fair value of plan assets as at** | | | | |
|---|---|---|---|---|---|
| | 31 March 2018 | 31 March 2017 | 31 March 2016 (Proforma) | 31 March 2015 (Proforma) | 31 March 2014 (Proforma) |
| Cash and cash equivalents | 2.21 | 2.21 | - | - | - |
| Insurer manager funds (managed by Life Insurance Corporation of India) | 17.29 | 9.78 | 7.59 | 7.53 | 7.64 |
| | **19.50** | **11.99** | **7.59** | **7.53** | **7.64** |

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| | **Valuation as at** | | | | |
|---|---|---|---|---|---|
| | 31 March 2018 | 31 March 2017 | 31 March 2016 (Proforma) | 31 March 2015 (Proforma) | 31 March 2014 (Proforma) |
| Discount Rate | 7.15% | 6.65% | 7.45%-7.85% | 7.90%-7.95% | 8.80% |
| Salary escalation rate | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |

In assessing the Group's post retirement liabilities, the Group monitors mortality assumptions and uses up-todate mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**(Rupees in million, unless otherwise stated)**

| Particulars | Year ended March 31, 2018 | | Year ended March 31, 2017 | | Year ended March 31, 2016 (Proforma) | | Year ended March 31, 2015 (Proforma) | | Year ended March 31, 2014 (Proforma) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease | Increase | Decrease | Increase | Decrease | Increase | Decrease |
| Discount rate (-/+ 50 bps) | (1.53) | 1.59 | (0.18) | 0.18 | (0.17) | 0.18 | (0.16) | 0.18 | (0.13) | 0.16 |
| Salary escalation rate (-/+ 50 bps) | 1.61 | (1.57) | 0.18 | (0.18) | 0.18 | (0.18) | 0.19 | (0.16) | 0.17 | (0.14) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**ii) Gratuity (unfunded)**

Provision for employees' end of service benefit is recognised in accordance with the Social Securities Las,1991 in the Sultanate of Oman and the law in the Kingdom of Saudi Arabia in respect of the subsidiaries domiciled in respective countries, and is based on the current remuneration and the period of service of the employees at the end of the reporting period. The aforesaid provision for end of service benefit is not material to the consolidated financial statements.

In case of Avana Global and Transworld Shipping and Logistics LLC, Transworld Holdings Mauritius, the liability for settlement of end of service benefits has been undertaken by Transworld Holdings, Mauritius (the ultimate holding company). Accordingly the provision for the same has not been recognised in the consolidated financial statements.

**End of service liability in respect of overseas components:** **(Rupees in million, unless otherwise stated)**

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Present value of defined benefit obligation | 20.87 | 16.74 | 13.81 | 10.18 | 9.09 |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXI**
**Notes to Restated Ind AS Consolidated Statements**

**Financial instruments and risk management**

**Capital management**
The Group's objective for capital management is to maximize shareholder value, safeguard business continuity and maintain an optimal capital structure to reduce the cost of capital. The Group maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of total equity. The Group is not subject to any externally imposed capital requirements.

**Gearing ratio**
The gearing ratio at end of the reporting period was as follows:

(Rupees in million, unless otherwise stated)

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Long term borrowings | 374.00 | 556.39 | 829.56 | 569.42 | 377.84 |
| Current maturities of long term debts | 184.24 | 270.64 | 209.94 | 186.00 | 186.62 |
| Short term borrowings | 212.44 | 332.51 | 420.87 | 306.19 | 329.62 |
| | **770.68** | **1,159.54** | **1,460.37** | **1,061.61** | **894.08** |
| Less: Cash and cash equivalents | (234.71) | (118.08) | (116.46) | (132.36) | (184.74) |
| Less: Bank balances other than cash and cash equivalents | (34.98) | (74.40) | (29.56) | (48.10) | (41.27) |
| Less: Current investments | - | - | (6.97) | (22.61) | - |
| **Total Debt (net) (A)** | **500.99** | **967.06** | **1,307.38** | **858.54** | **668.07** |
| **Total Equity (B)** | **1,555.40** | **1,059.87** | **1,705.01** | **1,531.88** | **1,227.80** |
| **Gearing ratio (net debt to equity) (A / B)** | **0.32** | **0.91** | **0.77** | **0.56** | **0.54** |

**Categories of financial instruments accounted at fair value**

(Rupees in million, unless otherwise stated)

| Particulars | As at 31 March 2018 | | As at 31 March 2017 | | As at 31 March 2016 (Proforma) | | As at 31 March 2015 (Proforma) | | As at 31 March 2014 (Proforma) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | At carrying value | At fair value | At carrying value | At fair value | At carrying value | At fair value | At carrying value | At fair value | At carrying value | At fair value |
| **Financial assets** | | | | | | | | | | |
| **Financial assets measured at amortised cost** | | | | | | | | | | |
| Trade receivables | 2,389.43 | 2,389.43 | 2,242.67 | 2,242.67 | 1,556.09 | 1,556.09 | 1,095.72 | 1,095.72 | 870.41 | 870.41 |
| Cash and cash equivalents | 234.71 | 234.71 | 118.08 | 118.08 | 116.46 | 116.46 | 132.36 | 132.36 | 184.74 | 184.74 |
| Bank balances other than cash and cash equivalents | 34.98 | 34.98 | 74.40 | 74.40 | 29.56 | 29.56 | 48.10 | 48.10 | 41.27 | 41.27 |
| Other financial assets | 199.76 | 199.76 | 136.61 | 136.61 | 965.35 | 965.35 | 787.13 | 787.13 | 668.90 | 668.90 |
| **Total** | **2,858.88** | **2,858.88** | **2,571.76** | **2,571.76** | **2,667.46** | **2,667.46** | **2,063.31** | **2,063.31** | **1,765.32** | **1,765.32** |
| **Financial assets measured at fair value through profit or loss** | | | | | | | | | | |
| Investments | - | - | - | - | 6.97 | 6.97 | 22.61 | 22.61 | - | - |
| **Total** | **-** | **-** | **-** | **-** | **6.97** | **6.97** | **22.61** | **22.61** | **-** | **-** |
| **Total financial assets** | **2,858.88** | **2,858.88** | **2,571.76** | **2,571.76** | **2,674.43** | **2,674.43** | **2,085.92** | **2,085.92** | **1,765.32** | **1,765.32** |
| **Financial liabilities** | | | | | | | | | | |
| **Financial liabilities measured at amortised cost** | | | | | | | | | | |
| Borrowings (including current maturities of borrowings)* | 770.68 | 771.34 | 1,159.54 | 1,160.71 | 1,460.37 | 1,460.51 | 1,061.61 | 1,061.61 | 894.08 | 894.08 |
| Trade payables | 2,076.48 | 2,076.48 | 2,092.80 | 2,092.80 | 1,292.08 | 1,292.08 | 933.25 | 933.25 | 766.97 | 766.97 |
| Other financial liabilities | 49.79 | 49.79 | 31.73 | 31.73 | 57.46 | 57.46 | 44.73 | 44.73 | 38.81 | 38.81 |
| **Total financial liabilities** | **2,896.95** | **2,897.61** | **3,284.07** | **3,285.24** | **2,809.91** | **2,810.05** | **2,039.59** | **2,039.59** | **1,699.86** | **1,699.86** |

* Valuation technique: future cash flows discounted at a rate that reflects market risks.

**Details of financial assets pledged as collateral**
The Group has pledged its trade receivables, cash and cash equivalents, bank balances and other financial assets in order to fulfil certain collateral requirements for the banking facilities extended to the Group (Refer Annexure XIV and XVI).

**Financial risk management objectives**
While ensuring that liquidity is sufficient to meet Group's operational requirements, the Group's Management also monitors and manages key financial risks relating to the operations of the Group by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXI**
**Notes to Restated Ind AS Consolidated Statements**

**Financial instruments and risk management**

**Market risk**

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are price risk, foreign currency exchange risk and interest rate risk.

**Foreign currency risk management**

The Group undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

**(Rupees in million, unless otherwise stated)**

| Particulars | Liabilities | | | | | Assets | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
| **USD** | | | | | | | | | | |
| Receivables | - | - | - | | | - | 51.94 | 99.27 | 69.60 | 5.09 |
| Payables | 1.07 | 1.86 | 33.60 | 41.42 | 13.10 | - | - | - | - | - |
| Finance lease obligations | 61.76 | 85.24 | 108.61 | - | - | - | - | - | - | - |
| **Total** | **62.83** | **87.10** | **142.21** | **41.42** | **13.10** | **-** | **51.94** | **99.27** | **69.60** | **5.09** |
| Net exposure | 62.83 | 35.16 | 42.94 | (28.18) | 8.01 | | | | | |

**Foreign currency sensitivity analysis**

The Group is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

**(Rupees in million, unless otherwise stated)**

| USD sensitivity | 31 March 2018 | 31 March 2017 | 31 March 2016 (Proforma) | 31 March 2015 (Proforma) | 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Effect on Net Exposure | | | | | |
| Weakening of INR by 5% | (3.14) | (1.76) | (2.15) | 1.41 | (0.40) |
| Strengthening of INR by 5% | 3.14 | 1.76 | 2.15 | (1.41) | 0.40 |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the period.

**Interest rate risk management**

The Group is exposed to interest rate risk because it has borrowed funds at floating interest rates. The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**Interest rate sensitivity analysis**

If the interest rates had been 50 basis points higher / lower and all the other variables were held constant, the Group's profit would be impacted by

**(Rupees in million, unless otherwise stated)**

| 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
|---|---|---|---|---|
| 1.45 | 2.34 | 3.09 | 2.76 | 1.01 |

**Price risk**

Most of the Group's equity investments are held for strategic rather than trading purposes. The Group is not having any investments in quoted equity instruments, hence is not exposed to any equity related price risk.

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing only with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from cash and cash equivalents, deposits with banks and receivables.For managing credit risk, management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available) and macro-economic information (such as regulatory changes, government directives, market interest rate).

For banks the credit risk is limited as high rated banks are considered for placement of deposits.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have significant credit risk exposure to any single customer. Concentration of credit risk to any single customer did not exceed 10% of total debtors at anytime during the year.

**Liquidity risk**

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets and liabilities and monitoring balance sheet liquidity ratios.

**Financial instruments and risk management**

**Liquidity and interest risk tables**

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**(Rupees in million, unless otherwise stated)**

| Particulars | Carrying Amount | Less than 1 Year | 1-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 March 2018** | | | | | |
| Borrowings (including Current maturities of borrowings and finance lease obligaions) | 770.68 | 431.92 | 395.37 | 30.51 | 857.80 |
| Trade payables | 2,076.48 | 2,076.48 | - | - | 2,076.48 |
| Other financial liabilities (other than current maturities of long-term debts) | 49.79 | 49.79 | - | - | 49.79 |
| | **2,896.95** | **2,558.19** | **395.37** | **30.51** | **2,984.07** |
| **31 March 2017** | | | | | |
| Borrowings (including Current maturities of borrowings and finance lease obligaions) | 1,159.54 | 657.90 | 636.81 | 83.81 | 1,378.52 |
| Trade payables | 2,092.80 | 2,092.80 | - | - | 2,092.80 |
| Other financial liabilities (other than current maturities of long-term debts) | 31.73 | 31.73 | - | - | 31.73 |
| | **3,284.07** | **2,782.43** | **636.81** | **83.81** | **3,503.05** |
| **31 March 2016 (Proforma)** | | | | | |
| Borrowings (including Current maturities of borrowings and finance lease obligaions) | 1,460.37 | 748.33 | 943.10 | 140.23 | 1,831.66 |
| Trade payables | 1,292.08 | 1,292.08 | - | - | 1,292.08 |
| Other financial liabilities (other than current maturities of long-term debts) | 57.46 | 57.46 | - | - | 57.46 |
| | **2,809.91** | **2,097.87** | **943.10** | **140.23** | **3,181.20** |
| **31 March 2015 (Proforma)** | | | | | |
| Borrowings | 1,061.61 | 503.14 | 556.17 | 17.42 | 1,076.73 |
| Trade payables | 933.25 | 933.25 | - | - | 933.25 |
| Other financial liabilities (other than current maturities of long-term debts) | 44.73 | 44.73 | - | - | 44.73 |
| | **2,039.59** | **1,481.12** | **556.17** | **17.42** | **2,054.71** |
| **31 March 2014 (Proforma)** | | | | | |
| Borrowings | 894.08 | 531.53 | 376.61 | 69.59 | 977.73 |
| Trade payables | 766.97 | 766.97 | - | - | 766.97 |
| Other financial liabilities (other than current maturities of long-term debts) | 38.81 | 38.81 | - | - | 38.81 |
| | **1,699.86** | **1,337.31** | **376.61** | **69.59** | **1,783.51** |

-

**Financing facilities**

**(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Secured bank overdraft facility : | | | | | |
| -amount used | 212.44 | 232.51 | 320.87 | 206.19 | 229.62 |
| -amount unused | 125.73 | 154.31 | 67.46 | 65.78 | 42.35 |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXII**
**Notes to Restated Ind AS Consolidated Statements**

**Interest in other entities**

**Subsidiaries**

Details of the Group's subsidiaries at the end of the reporting period are as follows:

| Name of the entity | Country of Incorporation | Principal activities | Proportion of ownership interest and voting power held by the Group | | | | |
|---|---|---|---|---|---|---|---|
| | | | As on 31 March 2018 | As on 31 March 2017 | As on 31 March 2016 (Proforma) | As on 31 March 2015 (Proforma) | As on 31 March 2014 (Proforma) |
| a) Avana Global FZCO* | Dubai | Ship management and ship operations | 100% | 100% | - | - | - |
| b) Balaji Shipping (UK) Limited | United Kingdom | Ship management and ship operations | 100% | 100% | 100% | 100% | 100% |
| c) Transworld Saudi Arabia Co LLC# | Saudi Arabia | Liner agency and freight forwarding services | 100% | 100% | - | - | - |
| d) Transworld Shipping & Logistics LLC Dubai# | Dubai | Liner agency and freight forwarding services | 100% | 100% | - | - | - |
| e) Transworld Shipping Trading and Logistics Services LLC | Oman | Liner agency and freight forwarding services | 60% | 60% | - | - | - |
| f) SRS Freight Management Limited^ | India | Freight forwarding services | - | - | 51.17% | 51.10% | 51.10% |

*- All shares are held by Avana Logistek Limited except for one share which is held by a Director on behalf of Avana Logistek Limited.

# - In the following subsidiary companies, shares are held by local sponsors as per local legal requirements but Avana Global FZCO holds 100% of the beneficial ownership.

| Company | % shares held by local sponsors | Amount | Currency |
|---|---|---|---|
| Transworld Saudi Arabia Co LLC | 25% | 1,25,000 | Saudi Riyal |
| Transworld Shipping & Logistics LLC Dubai | 51% | 1,53,000 | AED |

^ - Avana Logistek limited sold the entire stake in SRS Freight Management on 29 October 2016 to BSL Freight Solutions Private Limited and Avana Global FZCO sold the entire stake in BSL Freight Solutions Private Limited to Transworld Holdings Limited (Mauritius) on 3 March 2017, thus SRS Freight Management Limited ceased to be part of the Group. (Refer Annexure XXXIV(2))

**Restructuring exercise**

**Restructuring done at Avana Global FZCO**

During the year 2016-17, the ultimate parent company undertook a restructuring exercise.

Accordingly, Avana Global FZCO acquired the investments in Transworld Saudi Arabia Co. LLC, Saudi Arabia; Transworld Shipping and Logistics LLC, Dubai and Transworld Shipping Trading and Logistic Services LLC, Oman. Subsequent to the acquisition, Transworld Saudi Arabia Co. LLC, Saudi Arabia; Transworld Shipping and Logistics LLC, Dubai and Transworld Shipping Trading and Logistic Services LLC, Oman became controlled subsidiaries of the Group.

The acquisition was approved by Avana Global FZCO Board at its meeting held on 9 March 2017 and by the shareholders in the extra ordinary general meeting held on 10 March 2017.

As Avana Global FZCO and Transworld Saudi Arabia Co. LLC, Saudi Arabia; Transworld Shipping and Logistics LLC, Dubai and Transworld Shipping Trading and Logistic Services LLC, Oman are ultimately under common control of Transworld Holdings Limited, the acquisition is considered as “business combination involving businesses or entities under common control” and is accounted based on pooling of interest method.

**Notes to Restated Ind AS Consolidated Statements**

**Segment information**

Business segments

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM').

**a) Domestic logistics segment** :- It facilitates movement of cargo between two different locations, transported by any means of transportation i.e. sea, road, rail and air, either by single means of transport or multiple means of transport used for movement of consignment/(s), where cargo movement originates and final cargo delivery ends in the territory of same country.

**b) International logistics segment :-** It facilitates movement of cargo between two different locations, transported by any means of transportation i.e. sea, road, rail and air, either by single means of transport or multiple means of transport used for movement of consignment/(s), where cargo movement originates from one country and final delivery end in another country.

The committee ('CODM') currently comprising of Managing Director and Joint Managing Director, are responsible for allocating resources and assessing performance of the operating segments.

The following is an analysis of the Group's revenue and results by reportable segments.

**Segment revenue** **(Rupees in million, unless otherwise stated)**

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Domestic logistics business | 6,461.53 | 4,564.12 | 3,439.22 | 3,001.67 | 2,538.58 |
| International logistics business | 7,528.98 | 5,679.36 | 5,845.66 | 5,872.15 | 5,354.94 |
| | **13,990.51** | **10,243.48** | **9,284.88** | **8,873.82** | **7,893.52** |

Segment revenue reported above represents revenue generated from external customers. There were no inter segment sales in the current year.

| | | | | | |
|---|---|---|---|---|---|
| **Segment profit** | | | | | |
| Domestic logistics business | 609.84 | 316.84 | 238.42 | 248.26 | 180.05 |
| International logistics business | 950.29 | 607.03 | 649.72 | 733.87 | 862.89 |
| **Add/ less:** | | | | | |
| Other income | 74.36 | 82.28 | 49.23 | 56.70 | 56.20 |
| Employee benefits expense | 466.70 | 360.42 | 356.51 | 332.11 | 329.72 |
| Finance costs | 82.21 | 108.40 | 104.21 | 100.08 | 106.16 |
| Other expenses | 461.35 | 353.17 | 360.21 | 280.22 | 269.56 |
| **Profit before tax** | **624.23** | **184.16** | **116.44** | **326.42** | **393.70** |
| Income tax | 117.04 | 42.36 | 17.64 | 47.04 | 19.65 |
| **Profit after tax** | **507.19** | **141.80** | **98.80** | **279.38** | **374.05** |

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Annexure V. Segment profits represents the profit before tax earned by each segment without allocation of employee benefits expense, other expenses, other income and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

**Segment assets** **(Rupees in million, unless otherwise stated)**

| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Domestic logistics business | 1,862.03 | 1,283.76 | 1,146.35 | 788.72 | 666.31 |
| International logistics business | 2,702.73 | 3,090.46 | 3,408.20 | 2,826.88 | 2,266.76 |
| Unallocated assets | 185.82 | 164.89 | 162.27 | 141.83 | 117.13 |
| | **4,750.58** | **4,539.11** | **4,716.82** | **3,757.43** | **3,050.20** |
| **Segment liabilities** | | | | | |
| Domestic logistics business | 1,559.70 | 1,213.48 | 1,204.83 | 716.28 | 618.15 |
| International logistics business | 1,596.37 | 2,234.00 | 1,793.31 | 1,497.45 | 1,192.59 |
| Unallocated liabilities | 39.11 | 31.76 | 13.67 | 11.82 | 11.66 |
| | **3,195.18** | **3,479.24** | **3,011.81** | **2,225.55** | **1,822.40** |

For the purposes of monitoring segment performances and allocating resources between segments:
- All assets are reported to reportable segments other than investments in subsidiaries, other investments and tax assets.
- All liabilities are allocated to reportable segments other than deferred tax liabilities and current tax liabilities

**(Rupees in million, unless otherwise stated)**

| | | | | | |
|---|---|---|---|---|---|
| **Depreciation and amortisation expense** | | | | | |
| Domestic logistics business | 41.80 | 33.79 | 26.95 | 20.07 | 25.47 |
| International logistics business | 44.18 | 165.26 | 167.84 | 140.14 | 130.32 |
| | **85.98** | **199.05** | **194.79** | **160.21** | **155.79** |
| **Addition to non current assets** | | | | | |
| Domestic logistics business | 13.04 | 43.07 | 72.61 | 12.24 | 9.17 |
| International logistics business | 1.65 | 41.06 | 451.76 | 456.68 | 9.83 |
| | **14.69** | **84.13** | **524.37** | **468.92** | **19.00** |
| **Additional information by geographies** | | | | | |
| Revenue by geography market | | | | | |
| India | 6,461.53 | 4,564.12 | 3,439.22 | 3,001.67 | 2,538.58 |
| Outside India | 7,528.98 | 5,679.36 | 5,845.66 | 5,872.15 | 5,354.94 |
| | **13,990.51** | **10,243.48** | **9,284.88** | **8,873.82** | **7,893.52** |

**Information about major customers**

During the years ended 31 March 2018, 2017, 2016, 2015 and 2014 none of the customers of the Group had contributed 10% or more of the total Group's revenue.

**Notes to Restated Ind AS Consolidated Statements**

**Common control business combinations** (*refer Annexure V for accounting policy on Business Combination)*

**1 Acquisition of Avana Global FZCO**

On 27 March 2017, the Company acquired Avana Global FZCO Dubai 'BSL" from Transworld Holdings Limited Mauritius, for a total cash consideration of INR 3589.01 millions where in Avana Logistek Limited issued 84.8 lakhs equity shares of Rs.10 each fully paid up as consideration towards acquisition of 99.99% equity stake in Avana Global FZCO. The transaction is accounted as a common control business combination under Ind AS 103.

Accordingly, the assets and liabilities of Avana Global have been reflected at their carrying amounts and no adjustments are made to reflect fair values or recognise any new assets or liabilities at the date of the acquisition. The identity of items of other equity as appearing in the financial statements of Avana Global as of the date of acquisition were preserved. The difference between the consideration paid and sum of the net assets acquired and items of other equity of Avana Global is reflected within Other Equity as capital reserve on consolidation.

The acquisition is in line with the Company's strategic intent to strengthen its position in logistics as well as coastal shipping segment. Avana Logistek is engaged in multimodel logistics solutions provided using Road-rail-sea network. Avana Global brings to the Company, a network with strong presence all around the world that will complement its existing position and strengthen its presence in the Logistics category. Avana Global is the leading carrier of refrigerated containers in the India Subcontinent and Middle East. It has offices in more than 40 ports and over 20 inland container depots.

The transaction was based on the valuations of the net assets of Avana Global and the Company carried out by an accredited independent valuer who used techniques like discounted cash flow and comparable multiple method to determine the fair value of the entity.

**(Rupees in million, unless otherwise stated)**

| **Particulars** | | **Amount** |
|---|---|---|
| Purchase consideration - Issue of own equity shares ( 84,76,050 equity shares of face value of Rs 10 each fully paid up with a premium of Rs 413.43/- per share) | (A) | 3,589.01 |
| The value of net identifiable assets acquired | (B) | 820.94 |
| Items of other equity of Avana Global FZCO | ( C) | 895.78 |
| Capital reserve on consolisation | (D = A - B + C) | 3,663.85 |

**2 Disposal of subsidiary**

During the year, the Group had initiated and completed a strategic project of the demerger of SRS Freight Management Limited ("Diversified business") to BSL Freight Solutions Private Limited.

**(Rupees in million, unless otherwise stated)**

| | **Particulars** | **As at 31 March 2017** |
|---|---|---|
| a) | Consideration received in cash and cash equivalents | 21.20 |
| | **Total consideration received** | **21.20** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXIV**

**Notes to Restated Ind AS Consolidated Statements**

**Common control business combinations** (*refer Annexure V for accounting policy on Business Combination)*

**(Rupees in million, unless otherwise stated)**

| b) Analysis of asset and liabilities over which control was lost | As of 28th Oct'16 |
|---|---|
| **Current assets** | |
| Cash and cash equivalents | 3.71 |
| Investments | 5.73 |
| Trade receivables | 7.58 |
| Other current assets | 2.31 |
| **Non-current assets** | |
| Property, plant and equipment | 0.38 |
| Other financial assets | 0.73 |
| Other non-current assets | 0.30 |
| Tax asset (net) | 8.17 |
| **Current liabilities** | |
| Payables | (4.36) |
| Other current liabilities | (0.35) |
| **Non-current liabilities** | |
| Provisions | (0.38) |
| **Net assets disposed off** | **23.82** |

**c) Gain on disposal of subsidiary**

**(Rupees in million, unless otherwise stated)**

| Particulars | Year ended 31 March 2017 |
|---|---|
| Consideration received | 21.20 |
| Net assets disposed off | (23.82) |
| Non controlling interests | 11.63 |
| | **9.01** |

The gain on disposal has been directly taken to the Consolidated Statement of changes in equity as the sale has been made to M/s BSL Freight Solutions Private Limited which is also part of Transworld Holdings Limited's (ultimate holding company) group of companies.

**d) Net cash inflow on disposal of subsidiary**

**(Rupees in million, unless otherwise stated)**

| Particulars | Amount |
|---|---|
| Consideration received in cash and cash equivalents | 21.20 |
| Less: cash and cash equivalents balances disposed off | (3.71) |
| | **17.49** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXV**
**Notes to Restated Ind AS Consolidated Statements**

**Share of entities in Group**

**(Rupees in million, unless otherwise stated)**

| Name of the Entity | Net Assets (Total Assets - Total Liabilities) | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **For the year ended 31 March 2018** | | | | | | | | |
| **Parent group** | | | | | | | | |
| Avana Logistek Limited | 27.34% | 425.31 | 36.99% | 187.63 | -796.97% | (2.63) | 36.45% | 185.00 |
| **Subsidiaries** | | | | | | | | |
| **Foreign** | | | | | | | | |
| Avana Global FZCO | 67.38% | 1,047.98 | 49.82% | 252.68 | | - | 49.79% | 252.68 |
| Balaji Shipping (UK) Limited | 0.30% | 4.68 | 1.26% | 6.39 | | - | 1.26% | 6.39 |
| Transworld Saudi Arabia Co LLC | 1.13% | 17.63 | 0.13% | 0.65 | | - | 0.13% | 0.65 |
| Transworld Shipping & Logistics LLC | 5.75% | 89.37 | 6.94% | 35.19 | | - | 6.93% | 35.19 |
| Transworld Shipping Trading and Logistics Services LLC | 6.35% | 98.83 | 7.24% | 36.70 | | - | 7.23% | 36.70 |
| **Total (A)** | **108.26%** | **1,683.80** | **102.38%** | **519.24** | **-797%** | **(2.63)** | **101.79%** | **516.61** |
| **Adjustments arising out of consolidation (B)** | **(10.80%)** | (167.95) | **(5.25%)** | **(26.62)** | **896.97%** | **2.96** | **(4.66%)** | **(23.66)** |
| **Non-Controlling Interest in Subsidiaries** | | | | | | | | |
| **Foreign** | | | | | | | | |
| Transworld Shipping Trading and Logistics Services LLC | 2.54% | 39.55 | 2.87% | 14.57 | - | - | 2.87% | 14.57 |
| **Total (C)** | **2.54%** | **39.55** | **2.87%** | **14.57** | **0.00%** | **-** | **2.87%** | **14.57** |
| | | | | | | | | |
| **Grand Total (A+B+C)** | **100%** | **1,555.40** | **100%** | **507.19** | **100%** | **0.33** | **100%** | **507.52** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXV**
**Notes to Restated Ind AS Consolidated Statements**

**Share of entities in Group**

**(Rupees in million, unless otherwise stated)**

| Name of the Entity | Net Assets (Total Assets - Total Liabilities) | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **For the year ended 31 March 2017** | | | | | | | | |
| **Parent group** | | | | | | | | |
| Avana Logistek Limited | 361% | 3,827.80 | 40% | 56.61 | 0% | 0.02 | 43% | 56.63 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| SRS Freight Management Ltd. | - | - | 1% | 0.84 | 0% | - | 1% | 0.84 |
| **Foreign** | | - | | - | | - | | - |
| Avana Global FZCO | 75% | 794.69 | 11% | 15.82 | 0% | - | 12% | 15.82 |
| Balaji Shipping (UK) Limited | -1% | (7.94) | 5% | 7.20 | 0% | - | 5% | 7.20 |
| Transworld Saudi Arabia Co LLC | 1% | 8.06 | 4% | 5.50 | 0% | - | 4% | 5.50 |
| Transworld Shipping & Logistics LLC Dubai | 5% | 48.69 | 29% | 41.61 | 0% | - | 32% | 41.61 |
| Transworld Shipping Trading and Logistics Services LLC, Oman | 3% | 26.82 | 6% | 8.20 | 0% | - | 6% | 8.20 |
| **Total (A)** | **443%** | **4,698.12** | **96%** | **135.78** | **0%** | **0.02** | **104%** | **135.80** |
| | | | | | | | | |
| **Adjustments arising out of consolidation (B)** | -346% | (3,666.57) | 0% | (0.24) | 94% | (10.07) | -8% | (10.31) |
| **Non-controlling interest in subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| SRS Freight Management Ltd. | | - | 1% | 0.80 | | - | | 0.80 |
| **Foreign** | | | | - | | - | | |
| Transworld Shipping Trading and Logistics Services LLC, Oman | 3% | 28.32 | 4% | 5.46 | 6% | (0.62) | | 4.84 |
| **Total (C)** | 3% | **28.32** | 4% | **6.26** | 6% | **(0.62)** | 4% | **5.64** |
| | | | | | | | | |
| **Grand total (A+B+C)** | **100%** | **1,059.87** | **100%** | **141.80** | **100%** | **(10.67)** | **100%** | **131.13** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXV**
**Notes to Restated Ind AS Consolidated Statements**

**Share of entities in Group**

**(Rupees in million, unless otherwise stated)**

| Name of the Entity | Net Assets (Total Assets - Total Liabilities) | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **For the year ended 31 March 2016** | | | | | | | | |
| **Parent group** | | | | | | | | |
| Avana Logistek Limited | 11% | 187.48 | -4% | (4.18) | -1% | (1.15) | -3% | (5.34) |
| | | - | | - | | - | | |
| **Subsidiaries** | | - | | - | | - | | |
| **Indian** | | - | | - | | - | | |
| SRS Freight Management Ltd. | 1% | 11.36 | 3% | 3.29 | 0% | (0.02) | 2% | 3.27 |
| **Foreign** | | - | | - | | - | | |
| Avana Global FZCO | 90% | 1,538.80 | 62% | 60.88 | 0% | - | 34% | 60.88 |
| Balaji Shipping (UK) Limited | -1% | (15.24) | 7% | 7.27 | 0% | - | 4% | 7.27 |
| Transworld Saudi Arabia Co LLC | 0% | 2.80 | 1% | 1.33 | 0% | - | 1% | 1.33 |
| Transworld Shipping & Logistics LLC Dubai | 1% | 8.62 | 12% | 11.66 | 0% | - | 6% | 11.66 |
| Transworld Shipping Trading and Logistics Services LLC, Oman | 2% | 29.98 | 11% | 10.57 | 0% | - | 6% | 10.57 |
| **Total (A)** | **103%** | **1,763.79** | **92%** | **90.81** | **-1%** | **(1.17)** | **50%** | **89.63** |
| | | | | | | | | |
| **Adjustments arising out of consolidation (B)** | -6% | (100.27) | -2% | (2.19) | 99% | 80.81 | 44% | 78.60 |
| | | | | | | | | |
| **Non-Controlling Interest in Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| SRS Freight Management Ltd. | 1% | 10.84 | 3% | 3.14 | 0% | (0.02) | 2% | 3.12 |
| **Foreign** | | | | | | | | |
| Transworld Shipping Trading and Logistics Services LLC, Oman | 2% | 30.65 | 7% | 7.04 | 2% | 1.72 | 5% | 8.77 |
| **Total (C)** | 2% | **41.49** | | **10.18** | 2% | **1.70** | 7% | **11.90** |
| | | | | | | | | |
| **Grand total (A+B+C)** | **100%** | **1,705.01** | **90%** | **98.80** | **100%** | **81.33** | **100%** | **180.13** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXV**
**Notes to Restated Ind AS Consolidated Statements**

**Share of entities in Group**

**(Rupees in million, unless otherwise stated)**

| Name of the Entity | Net Assets (Total Assets - Total Liabilities) | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **For the year ended 31 March 2015** | | | | | | | | |
| **Parent group** | | | | | | | | |
| Avana Logistek Limited | 13% | 197.03 | 22% | 59.25 | 81% | (0.43) | 22% | 58.82 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| SRS Freight Management Ltd. | -0.48% | (7.36) | 1% | 2.51 | 19% | (0.10) | 1% | 2.41 |
| **Foreign** | | | | | | | | |
| Avana Global FZCO | 91% | 1,393.42 | 67% | 181.78 | 0% | - | 67% | 181.78 |
| Balaji Shipping (UK) Limited | -1% | (21.33) | 4% | 12.00 | 0% | - | 4% | 12.00 |
| Transworld Saudi ArabiaCo LLC | 0.09% | 1.37 | 1% | 2.53 | 0% | - | 1% | 2.53 |
| Transworld Shipping & Logistics LLC Dubai | -0.20% | (3.01) | 2% | 6.31 | 0% | - | 2% | 6.31 |
| Transworld Shipping Trading and Logistics Services LLC, Oman | 2% | 28.24 | 2% | 6.75 | 0% | - | 2% | 6.75 |
| **Total (A)** | **104%** | **1,588.36** | **100%** | **271.13** | **100%** | **(0.53)** | **100%** | **270.60** |
| Adjustments arising out of consolidation (B) | -5% | (78.33) | | 1.35 | | 59.36 | | 60.71 |
| **Non-controlling interest in subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| SRS Freight Management Ltd. | 0% | (7.04) | | 2.40 | | (0.10) | | 2.30 |
| **Foreign** | | | | | | | | |
| Transworld Shipping Trading and Logistics Services LLC, Oman | 2% | 28.89 | | 4.50 | | 1.60 | | 6.09 |
| **Total (C)** | 1% | **21.85** | | **6.90** | | **1.50** | | **8.40** |
| **Grand total (A+B+C)** | 100% | **1,531.88** | 100% | **279.38** | 100% | **60.33** | 100% | **339.71** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXV**
**Notes to Restated Ind AS Consolidated Statements**

**Share of entities in Group**

**(Rupees in million, unless otherwise stated)**

| Name of the Entity | Net Assets (Total Assets - Total Liabilities) | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **For the year ended Mar 31, 2014** | | | | | | | | |
| **Parent group** | | | | | | | | |
| Avana Logistek Limited | 11% | 141.14 | 3% | 12.02 | 0% | 0.25 | 3% | 12.27 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| SRS Freight Management Ltd. | -1% | (9.77) | 0% | 1.82 | 0% | - | 0% | 1.82 |
| **Foreign** | | | | | | | | |
| Avana Global FZCO | 94% | 1,148.73 | 90% | 335.47 | 0% | - | 77% | 335.47 |
| Balaji Shipping (UK) Limited | -3% | (32.02) | 3% | 11.59 | 0% | - | 3% | 11.59 |
| Transworld Saudi Arabia Co LLC | 0% | (1.16) | 1% | 2.65 | 0% | - | 1% | 2.65 |
| Transworld Shipping & Logistics LLC Dubai | -1% | (9.02) | 1% | 2.89 | 0% | - | 1% | 2.89 |
| Transworld Shipping Trading and Logistics Services LLC, Oman | 3% | 39.44 | 1% | 2.78 | 0% | - | 1% | 2.78 |
| **Total (A)** | **104%** | **1,277.34** | **99%** | **369.23** | **0%** | **0.25** | **84%** | **369.48** |
| Adjustments arising out of consolidation (B) | -6% | (76.06) | 0% | 1.22 | 94% | 59.91 | 14% | 61.14 |
| **Non-controlling interest in subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| SRS Freight Management Ltd. | -1% | (9.35) | 0% | 1.74 | | - | 0% | 1.74 |
| **Foreign** | | | | | | | | |
| Transworld Shipping Trading and Logistics Services LLC, Oman | 3% | 35.87 | 0% | 1.86 | 6% | 3.73 | 1% | 5.58 |
| **Total (C)** | 2% | **26.52** | 1% | **3.60** | 6% | **3.73** | 2% | **7.33** |
| | | | | | | | | |
| **Grand total (A+B+C)** | 100% | **1,227.80** | 100% | **374.05** | 100% | **63.89** | 100% | **437.94** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXV**
**Notes to Restated Ind AS Consolidated Statements**

**Share of entities in Group**

**(Rupees in million, unless otherwise stated)**

| Name of the Entity | Net Assets (Total Assets - Total Liabilities) | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Notes to Restated Ind AS Consolidated Statements**
**Annexure XXXVI**

## Subsequent events

As per the shareholders' approval accorded in the Extra-ordinary General Meeting held on 30th April, 2018, the Company in the subsequent period has,

(i) Sub-divided the 1,50,00,000 fully paid up equity shares of the face value of Rs. 10 each into 3,00,00,000 fully paid equity shares of the face value of Rs. 5 each.

(ii) Decided to issue new bonus equity share of Rs.5 each for every two existing fully paid-up equity shares of Rs. 5 each to the holders of the equity shares of the Company; and

(iii) Introduced and implemented the Avana Logistek Limited Employee Stock Option Plan 2018 (ESOP 2018) to grant Options exercisable into not more than 6,00,000 equity shares of the Company of the face value of Rs. 5 each but is yet to grant the options under the plan.

**For and on behalf of the Board of**
**Avana Logistek Limited**

**S Ramakrishnan**
Chairman
(DIN: 00057637)

**S Varadarajan**
Managing Director
(DIN: 07850694)

**Namrata Malushte**
Company Secretary
M No.17217
Mumbai,
6th June 2018

**Sanjay Bohra**
Chief Financial Officer

**INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION**

The Board of Directors
Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited)
4th Floor, Himalayas
Geetmala Complex
Near Shah Industrial Estate
Govandi – East, Mumbai – 400 088.

Dear Sirs,

1. We have examined, as appropriate (read with paragraphs 7, 8 and 9 below), the attached Restated Standalone Financial Information of Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) (the "Company") which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Standalone Summary Statements of Profit and Loss (including other comprehensive income) and Restated Standalone Summary Statement of Changes in Equity for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Restated Standalone Summary Statements of Cash Flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Summary of Significant Accounting Policies and notes thereto (collectively, the "Restated Standalone Financial Information"), as approved by the Board of Directors of the Company at their meeting held on June 6, 2018 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 13 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

   Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 4, 2018 in connection with the proposed IPO of equity shares of the Company;

   b) The Guidance Note; and

   c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information.

4. These Restated Standalone Financial Information have been compiled by the management from:

   a) Audited standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time which have been approved by the Board at their meeting held on May 24, 2018.

   b) Audited special purpose standalone financial statements of the Company as at and for the year ended March 31, 2017 prepared in accordance with the Ind AS which have been approved by the Board at their meeting held on May 24, 2018.

   The Restated Standalone Financial Information also contains the proforma Standalone Ind AS financial statements as at and for the years ended March 31, 2016, 2015 and 2014. These proforma standalone Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2016, 2015 and 2014 which have been approved by the Board of Directors at their meetings held on May 26, 2016, May 26, 2015 and May 26, 2014 respectively as described in Note 3.1 of Annexure V.

5. The audit report on the standalone financial statements issued by previous auditors were modified and included following qualification on the financial statements as at and for the year ended March 31, 2016:

The Company has paid a custom duty of Rs. 12.44 millions in respect of containers leased by them from other parties and there is unrecognised expenditure of Rs. 11.10 millions as of March 31, 2016. The Company is charging off this amount over the remaining period of lease which is not in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. Due to this Short term Loans and Advances are overstated by Rs. 1.71 millions, Long term Loans and Advances are overstated by Rs. 9.39 millions; expenditure is understated & profit before tax for the year is overstated by 11.10 millions. Profit after tax and Reserves is overstated by Rs. 7.43 millions.

Further, in respect of report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, it included following qualification in respect of a material weakness identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2016:

The Company did not have appropriate internal controls in the area of financial closing process and is in the process of implementing them (as they existed in the old software till December 31, 2015) in the Oracle ERP software to which financial accounting has been moved with effect from January 1, 2016 and is being handled by an outsourced agency.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company and the material weakness does not affect our opinion on the financial statements of the Company.

6. The audit report on the standalone Ind AS financial statements for the year ended March 31, 2018 issued by us included following other matter:

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 prepared in accordance with Ind AS included in these standalone Ind AS financial statements has been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated May 24, 2018 expressed an unmodified opinion.

Our opinion on the standalone Ind AS financial statements is not modified in respect of this matter.

7. Audit of the standalone financial statements for the financial years ended March 31, 2017, 2016, 2015 and 2014 were conducted by previous auditors and accordingly reliance has been placed on the standalone financial information examined by them for the said years. The financial information included for these years, i.e. March 31, 2017, 2016, 2015 and 2014 are based solely on the report submitted by them. The previous auditors have confirmed that the restated standalone financial information for the above mentioned years:

a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per current accounting policy for all the reporting periods;

b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Information;

d) have been made after giving effect to the qualification mentioned in paragraph 6 above; and

e) with respect to the proforma standalone Ind AS financial information as at and for the years ended March 31, 2016, 2015 and 2014, the proforma standalone Ind AS financial information have been prepared by making appropriate Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2016, 2015 and 2014 as described in Note 3.1 of Annexure V.

8. Based on our examination, we report that:

a) The Restated Standalone Summary Statement of Assets And Liabilities of the Company as at March 31, 2017, 2016, 2015 and 2014 examined and reported upon by the previous auditors on which reliance has been placed by us, and as at March 31, 2018 examined by us, as set out in Annexure I to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in notes to Restated statement of standalone adjustments to the audited financial statements as set out in Annexure VI.

b) The Restated Standalone Summary Statement of Profits and Loss (including other comprehensive income) of the Company for the years ended March 31, 2017, 2016, 2015 and 2014 examined and reported upon by the previous auditors on which reliance has been placed by us, and for the year ended March 31, 2018 examined by us, as set out in Annexure II to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in notes to Restated statement of standalone adjustments to the audited financial statements as set out in Annexure VI.

c) The Restated Standalone Summary Statement of Changes in Equity of the Company for the years ended March 31, 2017, 2016, 2015 and 2014 examined and reported upon by the previous auditors on which reliance has been placed by us, and for the year ended March 31, 2018 examined by us, as set out in Annexure IV to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in notes to Restated statement of standalone adjustments to the audited financial statements as set out in Annexure VI.

d) The Restated Standalone Summary Statement of Cash Flows of the Company for the years ended March 31, 2017, 2016, 2015 and 2014 examined and reported upon by the previous auditors on which reliance has been placed by us, and for the year ended March 31, 2018 examined by us, as set out in Annexure III to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in notes to Restated statement of standalone adjustments to the audited financial statements as set out in Annexure VI.

e) Based on the above, according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors for the respective years, we further report that the Restated Standalone Financial Information:

   a. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per current accounting policy for all the reporting periods;

   b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

   c. do not contain any extra-ordinary items that need to be disclosed separately; and

   d. have been made after giving effect to the qualification mentioned in paragraph 6 above.

9. We have also examined the following restated standalone other financial information of the Company set out in the following Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on June 6, 2018 for the year ended March 31, 2018. In respect of the years ended March 31, 2017, 2016, 2015 and 2014 these information have been included solely based upon the reports submitted by previous auditors and relied upon by us:

a) Restated Ind AS Standalone Statement of Property, plant and equipment and Intangible assets included in Annexure VIII;

b) Restated Ind AS Standalone Statement of Non-Current Investments included in Annexure IX

c) Restated Ind AS Standalone Statement of Cash and Bank balances included Annexure X

d) Restated Ind AS Standalone Statement of Tax Expense and Deferred Tax Liabilities (Net) included in Annexure XI

e) Restated Ind AS Standalone Statement of Other Assets included in Annexure XII

f) Restated Ind AS Standalone Statement of Trade Receivables included in Annexure XIII

g) Restated Ind AS Standalone Statement of Share Capital included in Annexure IV.I

h) Restated Ind AS Standalone Statement of Non-current and Current Borrowings included in Annexure XIV

i) Restated Ind AS Standalone Statement of Provisions included in Annexure XV

j) Restated Ind AS Standalone Statement of Other Liabilities included in Annexure XVI

k) Restated Ind AS Standalone Statement of Revenue from Operations included in Annexure XVII

l) Restated Ind AS Standalone Statement of Other Income included in Annexure XVIII

m) Restated Ind AS Standalone Statement of Freight Expenses and Other Operating Expenses included in Annexure XIX

n) Restated Ind AS Standalone Statements of Employee Benefit Expense included in Annexure XX

o) Restated Ind AS Standalone Statements of Finance Cost included in Annexure XXI

p) Restated Ind AS Standalone Statements of Other Expenses included in Annexure XXII

q) Notes to Restated Ind AS Standalone Statement of Leases included in Annexure XXIII

r) Restated Ind AS Standalone Statement of Related Party Transactions included in Annexure XXIV

s) Restated Ind AS Standalone Statement of Contingent Liabilities and Capital Commitments included in Annexure XXV

t) Restated Standalone Statement of Capitalisation included in Annexure XXVI

u) Restated Statement of Dividend Paid included in the Annexure XXVII

v) Restated Ind AS Standalone Statement of Tax Shelter included in Annexure XXVIII

w) Restated Ind AS Standalone Statement of Accounting Ratios included in Annexure XXIX

x) Notes to Restated Ind AS Standalone Summary Statements included in Annexure XXX to Annexure XXXII

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors in our opinion, the Restated Standalone Financial Information and the above restated Standalone other financial information contained in Annexures I to XXXII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings/reclassifications as considered appropriate (Refer Annexure-VI and VII) and have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Mumbai in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Place: **MUMBAI** Membership No. 39826

Date: June 6, 2018

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure I**
**Restated Ind AS Standalone Statement of Assets and Liabilities**

(Rupees in million, unless otherwise stated)

| Sr. No. | Particulars | Annexures | As at March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|---|---|
| | **ASSETS** | | | | | | |
| A | **Non-current assets** | | | | | | |
| | Property, plant and equipment | VIII | 373.64 | 404.99 | 356.31 | 216.39 | 224.27 |
| | Intangible assets | VIII | 0.83 | 1.07 | 1.31 | 0.02 | 0.02 |
| | Intangible assets under development | | 0.79 | - | - | - | - |
| | **Financial assets** | | | | | | |
| | Investments | IX | 3,589.01 | 3,589.01 | 20.95 | 18.29 | 18.29 |
| | Other financial assets | XII | 8.45 | 7.98 | 7.34 | 5.13 | 7.41 |
| | Income tax assets (net) | | 150.84 | 124.49 | 91.35 | 43.43 | 45.27 |
| | Other non-current assets | XII | 0.64 | 0.48 | 0.29 | 0.29 | 0.19 |
| | **Total of non-current assets** | | **4,124.20** | **4,128.02** | **477.55** | **283.55** | **295.45** |
| B | **Current assets** | | | | | | |
| | **Financial assets** | | | | | | |
| | Trade receivables | XIII | 1,355.85 | 882.97 | 865.07 | 526.02 | 372.03 |
| | Cash and cash equivalents | X | 5.80 | 12.30 | 4.09 | 22.36 | 12.98 |
| | Bank balances other than cash and cash equivalents | X | 118.95 | 12.01 | 9.53 | 43.21 | 23.66 |
| | Other financial assets | XII | 19.47 | 50.69 | 46.90 | 27.78 | 58.95 |
| | Other current assets | XII | 84.92 | 6.74 | 5.88 | 37.64 | 13.43 |
| | **Total of current assets** | | **1,584.99** | **964.71** | **931.47** | **657.01** | **481.05** |
| | **Total assets (A + B)** | | **5,709.19** | **5,092.73** | **1,409.02** | **940.56** | **776.50** |
| | **EQUITY AND LIABILITIES** | | | | | | |
| C | **Equity and liabilities** | | | | | | |
| | **Equity** | | | | | | |
| | Equity share capital | IV.I | 119.76 | 119.76 | 35.00 | 35.00 | 35.00 |
| | Other equity | IV | 3,884.42 | 3,708.05 | 152.48 | 162.02 | 106.11 |
| | **Total equity** | | **4,004.18** | **3,827.81** | **187.48** | **197.02** | **141.11** |
| D | **Non-current liabilities** | | | | | | |
| | **Financial liabilities** | | | | | | |
| | Borrowings | XIV | 65.62 | 110.18 | 129.11 | 9.36 | 31.59 |
| | Provisions | XV | 5.06 | 1.48 | 4.03 | 1.46 | - |
| | Deferred tax liabilities (net) | XI | 39.11 | 27.17 | 9.75 | 5.63 | 9.16 |
| | **Total of non-current liabilities** | | **109.79** | **138.83** | **142.89** | **16.45** | **40.75** |
| E | **Current liabilities** | | | | | | |
| | **Financial liabilities** | | | | | | |
| | Borrowings | XIV | 196.56 | 276.89 | 351.51 | 271.86 | 267.57 |
| | Trade payables | XVI | 1,139.97 | 714.03 | 589.31 | 330.95 | 251.53 |
| | Others financial liabilities | XVI | 149.64 | 51.07 | 48.23 | 18.81 | 41.02 |
| | Provisions | XV | 27.61 | 22.80 | 16.83 | 29.67 | 17.00 |
| | Other current liabilities | XVI | 81.44 | 61.30 | 72.77 | 75.80 | 17.52 |
| | **Total of current liabilities** | | **1,595.22** | **1,126.09** | **1,078.65** | **727.09** | **594.64** |
| | **Total equity and liabilities (C+D+E)** | | **5,709.19** | **5,092.73** | **1,409.02** | **940.56** | **776.50** |

Note:
The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 3.1 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

**For and on behalf of the Board of**
**Avana Logistek Limited**

Sanjiv V Pilgaonkar
**Partner**
Mumbai,
6th June 2018

S Ramakrishnan
Chairman
(DIN: 00057637)

S Varadarajan
Managing Director
(DIN: 07850694)

Namrata Malushte
Company Secretary
M No.17217

Sanjay Bohra
Chief Financial Officer

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure II**
**Restated Ind AS Standalone Statement of Profit and Loss**

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | Annexures | For the years ended March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|---|---|
| A | **Income** | | | | | | |
| | Revenue from operations | XVII | 6,684.50 | 5,524.06 | 4,269.55 | 3,719.94 | 3,082.25 |
| | Other income | XVIII | 0.91 | 1.85 | 2.46 | 3.89 | 2.42 |
| | **Total income** | | **6,685.41** | **5,525.91** | **4,272.01** | **3,723.83** | **3,084.67** |
| B | **Expenses** | | | | | | |
| | Freight expenses | XIX | 5,395.63 | 4,603.45 | 3,534.45 | 3,066.63 | 2,580.72 |
| | Other operating expenses | XIX | 551.11 | 515.21 | 424.94 | 311.92 | 231.41 |
| | Employee benefits expense | XX | 206.70 | 120.00 | 113.42 | 109.19 | 96.30 |
| | Finance costs | XXI | 35.17 | 45.43 | 39.76 | 39.51 | 44.26 |
| | Depreciation and amortisation expense | VIII | 41.80 | 33.81 | 26.95 | 20.07 | 25.48 |
| | Other expenses | XXII | 159.59 | 115.13 | 130.35 | 76.32 | 77.42 |
| | **Total expenses** | | **6,390.00** | **5,433.03** | **4,269.87** | **3,623.64** | **3,055.59** |
| C | **Restated profit before exceptional items and tax** | | **295.41** | **92.88** | **2.14** | **100.19** | **29.08** |
| | **Add: Exceptional Items** | | **-** | - | 2.66 | - | - |
| | **Restated profit before tax** | | **295.41** | **92.88** | **4.80** | **100.19** | **29.08** |
| | **Less: Tax expense** | XI | | | | | |
| | Current tax | | 94.54 | 18.84 | 4.31 | 44.22 | 11.74 |
| | Deferred tax (credit) / charge | | 13.33 | 17.41 | 4.67 | (3.31) | 5.35 |
| D | **Restated profit/ (loss) for the year** | | **187.54** | **56.63** | **(4.18)** | **59.28** | **11.99** |
| E | **Other comprehensive income ('OCI')** | | | | | | |
| | **Items that will not to be reclassified to profit or loss :** | | | | | | |
| | Remeasurement gains / (losses) on defined benefit plans | | (4.02) | 0.03 | (1.72) | (0.65) | 0.37 |
| | Income tax effect on above | | 1.39 | (0.01) | 0.57 | 0.22 | (0.12) |
| | **Restated OCI for the year, net of tax** | | **(2.63)** | **0.02** | **(1.15)** | **(0.43)** | **0.25** |
| F | **Restated total comprehensive income for the year** | | **184.91** | **56.65** | **(5.33)** | **58.85** | **12.24** |
| G | **Earnings per equity share of Rs.5/- each (post sub-division of equity shares subsequent to balance sheet date)** | XXIX | | | | | |
| | Basic and diluted | | **5.22** | **5.22** | **(0.40)** | **5.65** | **1.14** |

Note:
The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 3.1 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

**For and on behalf of the Board of**
**Avana Logistek Limited**

Sanjiv V Pilgaonkar
**Partner**
Mumbai,

6th June 2018

S Ramakrishnan
Chairman
(DIN: 00057637)

S Varadarajan
Managing Director
(DIN: 07850694)

Namrata Malushte
Company Secretary
M No.17217

Sanjay Bohra
Chief Financial Officer

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure III**
**Restated Ind AS Standalone Statement of Cash Flows**

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **A** | **Cash flow from operating activities:** | | | | | |
| | Profit before tax (as restated) | 295.41 | 92.88 | 4.80 | 100.19 | 29.08 |
| | **Adjusted for non cash/ non operating item:** | | | | | |
| | Depreciation and amortisation expense | 41.80 | 33.81 | 26.95 | 20.07 | 25.48 |
| | Interest expenses | 35.17 | 45.43 | 39.76 | 39.51 | 44.26 |
| | Bad debts written off / Allowance for expected credit loss | 6.99 | 2.72 | 7.62 | 7.35 | 4.19 |
| | Loss on disposal of property, plant and equipment (net) | 0.80 | 0.22 | 3.01 | 0.02 | 1.19 |
| | Interest income | (0.91) | (0.83) | (1.74) | (3.61) | (0.60) |
| | Liabilities no longer required written back | - | - | - | - | (0.77) |
| | Profit on conversion of preference shares | - | - | (2.66) | - | - |
| | Profit on sale of investment | - | (0.25) | - | - | - |
| | | **379.26** | **173.98** | **77.74** | **163.53** | **102.83** |
| | **Movement in working capital** | | | | | |
| | (Increase)/ Decrease in trade receivables | (479.87) | (20.61) | (346.67) | (161.34) | (14.26) |
| | (Increase)/ Decrease in other financial assets | 29.66 | (4.40) | (21.57) | 33.64 | (55.23) |
| | (Increase)/ Decrease in other assets | (78.34) | (1.05) | 31.76 | (24.32) | 0.37 |
| | Increase/(Decrease) in trade payables | 425.63 | 124.72 | 258.36 | 79.42 | 120.30 |
| | Increase/ (Decrease) in provisions | 6.30 | 3.45 | (12.00) | 13.16 | 3.42 |
| | Increase/ (Decrease) in other liabilities | 20.15 | (11.50) | (2.99) | 58.26 | 4.14 |
| | **Cash flow generated from/(used in) operations** | **302.79** | **264.58** | **(15.37)** | **162.35** | **161.57** |
| | Taxes paid (net) | (120.89) | (51.97) | (52.24) | (42.35) | (33.23) |
| | **Net cash flow generated from/(used in) operating activities (A)** | **181.90** | **212.61** | **(67.61)** | **120.00** | **128.34** |
| **B** | **Cash flow from investing activities:** | | | | | |
| | Additions to property, plant and equipment | (13.04) | (43.07) | (72.61) | (12.24) | (9.17) |
| | Sale of property plant and equipment | 1.55 | - | 25.06 | 0.03 | 0.16 |
| | Sale proceeds of non current - investments | - | 21.20 | - | - | - |
| | Interest income | 0.56 | 0.79 | 1.98 | 3.41 | 0.37 |
| | Other balances with bank (not forming a part of cash and cash equivalent or representing collection on behalf of the principal) | (1.90) | (2.48) | 33.68 | (19.55) | (20.47) |
| | **Net cash flow (used in) investing activities (B)** | **(12.83)** | **(23.56)** | **(11.89)** | **(28.35)** | **(29.11)** |
| **C** | **Cash flows from financing activities** | | | | | |
| | Proceeds from long term borrowings | - | 106.10 | 71.58 | 6.23 | - |
| | Repayment of long term borrowings | (18.06) | (98.84) | (31.02) | (50.66) | (30.27) |
| | Proceeds from loan repayable on demand from banks | 19.67 | (74.62) | 79.65 | 4.29 | (104.14) |
| | Redemption of preference share capital | (100.00) | - | - | - | - |
| | Repayment of finance lease obligation | (23.48) | (67.42) | (18.26) | - | - |
| | Proceeds from issue of equity shares | - | - | - | - | 70.00 |
| | Share issue expenses | (0.57) | (5.33) | - | - | - |
| | Equity dividend including dividend distribution tax paid | (6.53) | - | (4.21) | (2.94) | - |
| | Preference dividends paid including distribution tax paid | (21.49) | (11.43) | (11.43) | (11.11) | (11.04) |
| | Interest paid | (25.11) | (29.31) | (25.08) | (28.08) | (33.15) |
| | **Net cash flow generated from/ (used in) financing activities (C)** | **(175.57)** | **(180.85)** | **61.23** | **(82.27)** | **(108.60)** |
| | **Net (decrease) / increase in cash and cash equivalents (A+B+C)** | **(6.50)** | **8.21** | **(18.27)** | **9.38** | **(9.37)** |
| | Cash and cash equivalents at the beginning of the year | 12.30 | 4.09 | 22.36 | 12.98 | 22.35 |
| | **Cash and cash equivalents at the end of the year (see note below)** | **5.80** | **12.30** | **4.09** | **22.36** | **12.98** |

| Sr. No. | Particulars | As at | | | | |
|---|---|---|---|---|---|---|
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| | **Components of cash and cash equivalents:** | | | | | |
| | Cash on hand | 0.17 | 0.17 | 0.29 | 0.50 | 0.32 |
| | On current accounts | 5.63 | 12.13 | 3.80 | 21.86 | 12.66 |
| | **Total** | **5.80** | **12.30** | **4.09** | **22.36** | **12.98** |

Notes:

1) The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 3.1 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

2) The Statement of Cash Flows have been prepared under Indirect Method as set out in Ind AS 7 -Statement of Cash Flows notified under Section 133 of the Company Act, 2013, read together with Companies (Indian Accounting Standard) Rules 2015

3) For non-cash transactions refer footnote to Annexure X.

As per our report of even date.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

**For and on behalf of the Board of**
**Avana Logistek Limited**

Sanjiv V Pilgaonkar
**Partner**
Mumbai,

6th June 2018

S Ramakrishnan
Chairman
(DIN: 00057637)

S Varadarajan
Managing Director
(DIN: 07850694)

Namrata Malushte
Company Secretary
M No.17217

Sanjay Bohra
Chief Financial Officer

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure IV**
**Restated Ind AS Standalone Statement of Changes in Equity**

**(Rupees in million, unless otherwise stated)**

| **(A) Equity share capital:** | |
|---|---|
| **As at April 1, 2013 (Proforma)** | 25.00 |
| Changes in equity share capital during the year | 10.00 |
| **As at March 31, 2014 (Proforma)** | **35.00** |
| Changes in equity share capital during the year | - |
| **As at March 31, 2015 (Proforma)** | **35.00** |
| Changes in equity share capital during the year | - |
| **As at March 31, 2016 (Proforma)** | **35.00** |
| Changes in equity share capital during the year | 84.76 |
| **As at March 31, 2017** | **119.76** |
| Changes in equity share capital during the year | - |
| **Balance at March 31, 2018** | **119.76** |

**(B) Other equity**

**(Rupees in million, unless otherwise stated)**

| **Particular** | **Reserves and Surplus** | | | **Total other equity** |
|---|---|---|---|---|
| | **Securities premium** | **Capital redemption reserve** | **Retained earnings** | |
| **As at April 1, 2013 (Proforma)** | **-** | **-** | **33.87** | **33.87** |
| Additional equity shares issued | 60.00 | - | - | 60.00 |
| Profit for the year | - | - | 11.99 | 11.99 |
| Re-measurement gain/(losses) on defined benefit plan, net of income tax | - | - | 0.25 | 0.25 |
| **As at March 31, 2014 (Proforma)** | **60.00** | **-** | **46.11** | **106.11** |
| Profit for the year | - | - | 59.28 | 59.28 |
| Re-measurement gain/(losses) on defined benefit plan, net of | - | - | (0.43) | (0.43) |
| Dividend paid | - | - | (2.94) | (2.94) |
| **As at March 31, 2015 (Proforma)** | **60.00** | **-** | **102.02** | **162.02** |
| (Loss) for the year | - | - | (4.18) | (4.18) |
| Re-measurement gain/(losses) on defined benefit plan, net of income tax | - | - | (1.15) | (1.15) |
| Dividend paid | - | - | (4.21) | (4.21) |
| **As at March 31, 2016 (Proforma)** | **60.00** | **-** | **92.48** | **152.48** |
| Additional equity shares issued | 3,504.25 | - | - | 3,504.25 |
| Profit for the year | - | - | 56.63 | 56.63 |
| Re-measurement gain/(losses) on defined benefit plan, net of income tax | - | - | 0.02 | 0.02 |
| Share issue expenses | (5.33) | - | - | (5.33) |
| **As at March 31, 2017** | **3,558.92** | **-** | **149.13** | **3,708.05** |
| Profit for the year | - | - | 187.54 | 187.54 |
| Re-measurement gain/(losses) on defined benefit plan, net of income tax | - | - | (2.63) | (2.63) |
| Share issue expenses | (2.01) | - | - | (2.01) |
| Dividend including dividend distribution tax | - | - | (6.53) | (6.53) |
| Transfer to Capital redemption reserve | - | 100.00 | (100.00) | - |
| **As at March 31, 2018** | **3,556.91** | **100.00** | **227.51** | **3,884.42** |

Note:
The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 3.1 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

**For and on behalf of the Board of**
**Avana Logistek Limited**

Sanjiv V Pilgaonkar
**Partner**
Mumbai,

6th June 2018

S Ramakrishnan
Chairman
(DIN: 00057637)

S Varadarajan
Managing Director
(DIN: 07850694)

Namrata Malushte
Company Secretary
M No.17217

Sanjay Bohra
Chief Financial Officer

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure IV.I**
**Restated Ind AS Standalone Statement of Share Capital**

(Rupees in million, unless otherwise stated)

| Particulars | | As at | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Authorised share capital** | | | | | | |
| Equity shares of ₹ 10 each | Number | 1,50,00,000 | 1,50,00,000 | 60,00,000 | 60,00,000 | 60,00,000 |
| | (A) Amount | 150.00 | 150.00 | 60.00 | 60.00 | 60.00 |
| Preference shares of ₹ 100 each | Number | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 | 10,00,000 |
| | (B) Amount | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| **Total Authorised share capital (A+B)** | | **250.00** | **250.00** | **160.00** | **160.00** | **160.00** |
| **Issued, subscribed and fully paid up shares:** | | | | | | |
| Equity shares of ₹ 10 each, fully paid-up | Number | 1,19,76,050 | 1,19,76,050 | 35,00,000 | 35,00,000 | 35,00,000 |
| | Amount | 119.76 | 119.76 | 35.00 | 35.00 | 35.00 |
| | | **119.76** | **119.76** | **35.00** | **35.00** | **35.00** |

**(a) Reconciliation of the number of shares outstanding at the beginning and end of the year**

(Rupees in million, unless otherwise stated)

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Balances as at the beginning of the year (in amount) | 119.76 | 35.00 | 35.00 | 35.00 | 25.00 |
| Add: Issued and subscribed during the year (in amount) | - | 84.76 | - | - | 10.00 |
| **Balance at the end of the year (in amount)** | **119.76** | **119.76** | **35.00** | **35.00** | **35.00** |
| Balances as at the beginning of the year (in numbers) | 1,19,76,050 | 35,00,000 | 35,00,000 | 35,00,000 | 25,00,000 |
| Add: Issued and subscribed during the year (in numbers) | - | 84,76,050 | - | - | 10,00,000 |
| **Balance at the end of the year (in numbers)** | **1,19,76,050** | **1,19,76,050** | **35,00,000** | **35,00,000** | **35,00,000** |

**(b) Terms and rights attached to equity shares**
(a) The Company has only one class of equity shares having a par value of `10 each. Each shareholder of equity shares is entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

(b) In the event of liquidation,the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in propertion to their share holding.

(c) There has been no issuance of bonus shares during five years immediately preceding year ended 31 March 2018

**(d) Details of shares held by the holding Company and other shareholders in the Company including details of shareholders holding more than 5% shares in the Company**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 (Proforma) | As at March 31, 2015 (Proforma) | As at March 31, 2014 (Proforma) |
|---|---|---|---|---|---|
| Shreyas Shipping and Logistics Limited, erstwhile Holding Company | 35,00,000 | 35,00,000 | 35,00,000 | 35,00,000 | 35,00,000 |
| Percentage | 29.22% | 29.22% | 100% | 100% | 100% |
| Transworld Holdings Limited, Mauritius, Holding Company | 84,76,050 | 84,76,050 | - | - | - |
| Percentage | 70.78% | 70.78% | - | - | - |

(e) During the previous year March 31, 2017, the Company has, based on a valuation carried out by a Category -1 Merchant banker, acquired entire shareholding (except one share) of Avana Global FZCO, which has four subsidiaries viz. Balaji Shipping UK Ltd (100%), Transworld Shipping Trading and Logistics Services LLC Oman (60%), Transworld Shipping and Logistics LLC Dubai (100%) and Transworld Saudi Arabia (100%), for consideration cash of ` 35,89.01 million for which on 27 March 2017 the Company issued 8,476,050 equity shares of `10 each at a premium of ` 413.43 per share to Transworld Holdings Ltd Mauritius - the holding company of Avana Global FZCO.

(f) Subsequent to the balance sheet date, each equity share of ` 10 each was sub-divided into two equity shares of ` 5 each and 1,19,76,050 equity shares of ` 5 each were authorised for issue as fully paid-up bonus shares. (refer note XXXII).

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure V**
**Notes to Restated Ind AS Standalone Financial Information - Accounting Policies**

**1 Corporate Information**

Avana Logistek Limited (the "Company" or "Avana") is a public limited company incorporated in India on March 17, 1994 under the Companies Act, 1956. The registered office of the Company is 4th Floor, Geetmala Building, Shah Industrial Estate, Govandi – East Mumbai, Maharashtra, India - 400 088.

Avana specialises in offering seamless, end-to-end, multi-modal transportation solutions incorporating the Road-Rail-Sea-Air routes. The Company acts as single point contact to meet all Supply Chain Management (SCM) activities of its clients. These Restated Standalone Financial Information and Other Standalone Financial Information were approved by the Board of Directors of the Company on May 24, 2018.

**2 Applicability of new and revised Ind AS:**

**2.1 Amendments to Ind AS that are notified and adopted by the Company**

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated March 17, 2017, Ministry of Corporate Affairs (MCA) has notified amendments to two new standards namely Ind AS 102 Share-based Payment and Ind AS 7 Statement of Cash Flows which have become effective from April 1, 2017.

There are no share based payment transactions and hence Ind AS 102 is not applicable to the Company.
Further, amendment to Ind AS 7 pertains to additional disclosure requirement such as "An entity will be required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes."

Relevant disclosures in this regard has been provided in Annexure XIV for Borrowings.

**2.2 New standard issued but not yet effective**

MCA on 28 March 2018 notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the "Rules"). The Rules notify the new revenue standard Ind AS 115, Revenue from Contracts with Customers and also bring in amendment to existing Ind AS. The Rules shall be effective from reporting periods beginning on or after April 1, 2018.
• New revenue standard Ind AS 115 supersedes the existing standards Ind AS 18 – "Revenue" and Ind AS 11 – "Construction Contracts". The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:
i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (identified in step ii)
v. Recognition of revenue when the Company satisfies a performance obligation.

• Appendix B, (Foreign Currency Transactions and Advance Considerations) to Ind AS 21, "The Effects of Changes in Foreign Exchange Rates" has been notified. The appendix clarifies that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of related asset, expense or income, should be the date on which an entity has received or paid an advance consideration in a foreign currency.

The management is yet to assess the impact of the aforesaid amendments on the Company's financial information.

**3.1 Basis of preparation & presentation**

The Restated Standalone Ind-AS Statement of Assets and Liabilities of the Company as at March 31, 2018 and March 31, 2017 and the Restated Standalone Ind-AS Statement of Profit and Loss, the Restated Ind-AS Standalone Statement of Changes in Equity and the Restated Standalone Ind-AS Statement of Cash flows for the years ended March 31, 2018 and March 31, 2017 and Restated Ind-AS Other Standalone Financial Information (together referred as 'Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.
The Restated Standalone Financial Information (including Restated Standalone Ind AS financial information for the years ended March 31, 2018 and March 31, 2017 and Restated Standalone Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014) have been compiled by the Company from the Audited Standalone Financial Statements of the Company for the year ended March 31, 2018 prepared under Ind AS and for the years ended March 31, 2017, 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').
The comparative restated financial information of the Company for the year ended 31st March, 2017, 2016, 2015 and 2014 prepared in accordance with Ind AS included in this restated standalone Ind AS financial information have been audited and examined by PKF Sridhar and Santhanam LLP, the predecessor auditor vide their report dated 24th May, 2018 and 6th June, 2018 respectively.

The Company has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The Restated Standalone Ind AS Financial Information for the years ended March 31, 2016, 2015 and 2014 have been prepared on Proforma basis (i.e. "Proforma Standalone Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in Company prospectuses issued by ICAI. For the purpose of Proforma Ind AS Standalone financial information for the years ended March 31, 2016, 2015 and 2014, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Standalone financial information as of and for the years ended March 31, 2016, 2015 and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016)- Refer Note (o) for the details of first-time adoption exemptions availed by the Company. The basis of preparation for specific items where exemptions has applied are as follows:
- Property Plant & Equipment and Intangible assets - As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of property, plant & equipment and intangible assets. For the purpose of Proforma Standalone Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Company has provided the depreciation based on the estimated useful life of the respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.
- As specified in the Guidance Note, the equity balance computed under Proforma Ind AS Standalone financial information for the years ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the years ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind- AS principles applied on Proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS Standalone financial information has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Annexure VII.

The Restated Standalone Financial Information (including Restated Standalone Ind AS financial information for the years ended March 31, 2018 and March 31, 2017 and Restated Standalone Proforma Ind AS financial information for the years ended March 31, 2016, 2015 and 2014) have been compiled by the Company from the Audited Standalone Financial Statements of the Company for the years ended March 31, 2018 and March 31, 2017 prepared under Ind AS and for the years ended March 31, 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').
For all periods up to and including the year ended March 31, 2017, the Company prepared its audited Standalone financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Standalone financial statements for the year ended March 31, 2018 are the first Ind AS financial statements of the Company. The date of transition to Ind AS is April 1, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2017, 2016, 2015, and 2014 and of the Restated Statement of Profit and loss and other comprehensive Income for the years ended March 31, 2017, 2016, 2015 and 2014. Reconciliation of the same is disclosed in Annexure VII.

The Restated Standalone Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of fresh issue of shares as well as offer for sale by the selling shareholders, to be filed by the Company with SEBI, in accordance with the requirements of:
a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the “SEBI regulations”).
c) Guidance note on reports in Company prospectuses.
These Restated Standalone Financial information have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.
The accounting policies as set out below have been applied consistently to all the periods presented in these Restated Standalone Ind AS Financial Information.

The functional currency of the Company is determined to be Indian Rupees as
a) It is the currency in which the sales prices for the Company’s services are predominantly denominated and settled and the Indian competitive forces and regulation mainly drive the sales prices of its services.
b) It is the currency that mainly influences input costs of those services.

The Restated Standalone Financial Information are presented in Indian Rupees (INR) and all values are rounded to the nearest millions, expect where otherwise indicated.

The Restated Standalone Ind AS Financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Restated Standalone Ind AS Financial Information is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.
In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs)

## 3.2 Significant Accounting Policies

### ( a) Current versus non-current classification

The Company presents assets and liabilities in the restated Ind-AS standalone statement of assets and liabilities based on current/ non-current classification.
An asset is treated as current when it is:
Expected to be realised or intended to be sold or consumed in normal operating cycle
a) Held primarily for the purpose of trading
b) Expected to be realised within twelve months after the reporting period, or
c) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when:
a) It is expected to be settled in normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### ( b) Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

**(i) Revenue from logistics service operations**

a) Sea freight and liner service income from transportation of cargo by inland and international waterways respectively is recognised following the proportionate completion method on time basis.

b) Terminal handling charges and ancillary income related to load port and discharge port are recognised on loading / unloading of the container at the load port and discharge port respectively.

c) Income from transportation of cargo by road / rail is recognised upon delivery to load port or final place of delivery, as applicable.

d) In case of end-to end logistics services under multimodal transport, the revenue is recognised following the proportionate completion method on time basis for each mode.

**(ii) Dividend income**

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**(iii) Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

**(c) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost comprises its purchase price net of any trade discounts and rebates, import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying asset.
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the restated Ind-AS standalone statement of profit and loss.
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.
For the purpose of Proforma Standalone Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the expected usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Class of assets | Useful lives in years |
|---|---|
| Container | 15 years |
| Trailer | 10 years |
| Computer | 3-6 years |

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life for that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

**(d) Intangible assets**

Intangible assets purchased are carried at cost as of the date of acquisition less accumulated amortisation and accumulated impairment losses, if any. Intangible asset in the nature of computer software is amortised on a straight line basis over the estimated useful life of 6 years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the restated Ind-AS standalone statement of profit and loss.
For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For the purpose of
Proforma Ind AS standalone financial information for the years ended March 31, 2016, 2015 and 2014, the Company has provided the amortization based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

**(e) Foreign exchange transactions**

The functional and presentation currency of the company is Indian Rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the restated Ind-AS standalone statement of assets and liabilities date and exchange gains and losses arising on settlement and restatement are recognised in the restated Ind-AS standalone statement of profit and loss.

Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for the exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2017 prepared under Previous GAAP, are capitalized as a part of the depreciable property, plant and equipment to which the monetary item relates and depreciated over the remaining useful life of such assets.

**(f) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All the other borrowing costs are recognised in the restated Ind-AS standalone statement of profit and loss in the period in which they are incurred.

**(g) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.
Current tax:
Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the restated Ind-AS standalone statement of assets and liabilities when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting of a business combination, the tax effect is included in the accounting for the business combination.

**(h) Provisions and contingent liabilities**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the rime value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

**(i) Employee benefits**

**(i) Short-term employee benefits:**

Benefits accruing to employees in respect of wages, salaries, compensated absences (availed at the time of retirement or termination), expected cost of bonus which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date.

**(ii) Retirement benefit costs and termination benefits**

Defined contribution plans:
The eligible employees of the Company are entitled to receive benefits under the provident fund scheme which is in substance, defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:
The Company's liabilities towards gratuity is determined using the projected unit credit method, with actuarial valuations being carried out on half yearly basis.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the restated Ind-AS standalone statement of assets and liabilities with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in other equity and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:
• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• net interest expense or income; and
• re-measurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the restated Ind-AS standalone statement of assets and liabilities represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related services are rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.
Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in the respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees upto reporting date.

**(j) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**(k) Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease when the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessor
Rental income from operating leases is recognised on straight line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight line basis over the lease term.

Company as a lessee
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the restated Ind-AS standalone statement of assets and liabilities as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit or Loss.
Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

**(l) Accounting and reporting of information for Operating Segments**

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Makers (CODM) in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

**(m) Cash and cash equivalents**

Cash and cash equivalents in the Standalone restated Ind-AS standalone statement of assets and liabilities comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

**(n) Financial instruments**

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the restated Ind-AS standalone statement of profit and loss.
(a) Non-derivative financial instruments:
i) Cash and cash equivalents
The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.
ii) Financial assets carried at amortised cost
Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
iii) Financial assets at fair value through other comprehensive income
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
iv) Financial assets at fair value through profit or loss
Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.
v) Investment in subsidiaries
The Company records the investments in subsidiaries at cost less impairment loss, if any.

vi) Equity instruments
An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.
vii) Financial liabilities at amortized cost
Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the restated Ind-AS standalone statement of assets and liabilities date, the carrying amounts approximate fair value due to the short maturity of these instruments.
(b) Impairment:
i) financial assets:
The Company assesses at each restated Ind-AS standalone statement of assets and liabilities date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the company's past history of recovery, credit worthiness of the counter party and existing market conditions.
ii) Non-financial assets:
Property, plant and equipment and intangible assets:
Property, plant and equipment and intangible assets with finite life are evaluated for recoverability wherever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.
If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the restated Ind-AS standalone statement of profit and loss.
(c) De-recognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the restated Ind-AS standalone statement of profit and loss.
A financial liability (or a part of a financial liability) is derecognised from the company's restated Ind-AS standalone statement of assets and liabilities when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the restated Ind-AS standalone statement of profit and loss.
(d) Fair value of financial instruments:
In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

**(o) First time adoption:**

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions as detailed below:

i. Deemed cost for property, plant and equipment and intangible assets:
The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1st April,2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

ii. De-recognition of financial assets and financial liabilities
The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

iii. Designation of previously recognised financial instruments
The Company has designated financial liabilities and financial assets at fair value through profit or loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

iv. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

v. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

vi. Long term foreign currency monetary item:
The Company has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements prepared under previous GAAP for the year ended 31st March, 2017.

vii. Investments in subsidiaries:
The Company has elected to continue with the carrying amount of its investments in subsidiaries recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

**(p) Key sources of estimation uncertainty and critical accounting judgements:**

The preparation of the Restated Standalone Ind AS Financial Information requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
The following are the critical judgements and estimations that have been made by the management in the process of applying the company's accounting policies and that have the most significant effect on the amount recognised in the Restated Standalone Ind AS Financial Information and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. **Revenue recognition:**
The Company recognises unfinished voyage income and related expenses based management's estimates on the average number of days required to complete the voyage from the port of origin for the voyage to the port of destination given its operational performance during the year. The actual travel time per voyage may differ leading to differences in unfinished voyage income and expenses to be recognised for voyages in-transit at the end of the period.

ii. **Useful lives and residual values of property, plant and equipment:**
The management reviews the useful lives of property, plant and equipment at least once a year. Such lives for containers and trailers are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.
Residual values of the containers is estimated at the year-end based on average realisation made from the sale / disposal of containers during the year.

iii. **Contingencies:**
In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Restated Standalone Financial Information but are not recognized.

iv. **Expected credit losses:**
The Company assesses its expected credit losses at each reporting date. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Key assumptions applied are experience (including comparisons of the relative age of accounts and consideration of actual write-off history), customer creditworthiness, changes in customer payment terms, the estimated debt recovery rates and future market conditions that could affect recovery. The actual level of debt collected may differ from the estimated levels of recovery.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure VI**
**Restated Statement of Standalone adjustments to the audited financial statements**

**A.** The summary of results of restatement adjustments made in the audited standalone financials statements for the respective years and its impact on the profit of the Company is as follows:

**(Rupees in million, unless otherwise stated)**

| Particulars | Notes | For the years ended | | | |
|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Net profit as per audited financial statements** | | 57.17 | 8.56 | 79.70 | 32.02 |
| Adjustment on account of auditor's qualification | a | 11.11 | (11.11) | - | - |
| **Restated profit as per previous GAAP** | | **68.28** | **(2.55)** | **79.70** | **32.02** |
| Adjustments on account of Ind AS (including prior period adjustments) | b | (11.63) | (2.78) | (20.85) | (19.78) |
| **Restated Total Comprehensive Income/ (Loss) as per Ind AS** | | **56.65** | **(5.33)** | **58.85** | **12.24** |

**B.** The summary of results of restatement adjustments made in the audited standalone financials statements for the respective years and its impact on the equity of the Company is as follows:

**(Rupees in million, unless otherwise stated)**

| Particulars | Notes | As at | | | |
|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Total equity (Shareholder's funds) as per previous GAAP** | | 3,966.12 | 319.94 | 322.81 | 261.74 |
| Impact of auditor's qualification | a | - | (11.11) | - | - |
| **Restated equity as per previous GAAP** | | **3,966.12** | **308.83** | **322.81** | **261.74** |
| Adjustments on account of Ind AS (including prior period adjustments) | b | (138.31) | (121.35) | (125.79) | (120.63) |
| **Restated equity as per Ind AS** | | **3,827.81** | **187.48** | **197.02** | **141.11** |

**Note:**

a) Adjustment of custom duty pertaining to containers taken on lease during the year 2015-16 and inadvertently deferred to the subsequent year is restated to the corresponding year.

b) Adjustments on account of Ind AS (Refer Annexure VII)

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure VII**
**Ind AS Standalone Statement of reconciliation of equity and profit as per previous GAAP and Ind AS**

**Reconciliation of restated equity as per previous GAAP and Ind AS is as under:**

**(Rupees in million, unless otherwise stated)**

| Particulars | Notes | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|
| **Restated equity as per previous GAAP** | VI | 3,966.12 | 308.83 | 322.81 | 261.74 |
| **Add / (Less):** | | | | | |
| Net impact of unfinished voyage income/ expenses recognised under percentage of completion method | 1 | (28.05) | (22.09) | (22.33) | (13.33) |
| Impact of expected credit loss allowances | 2 | (0.88) | (0.87) | (0.55) | (0.26) |
| Impact of recognition of constructive obligation towards customary bonus | 3 | (11.23) | (7.35) | (20.85) | (8.30) |
| Proposed dividend on equity shares (including dividend distribution tax) | 4 | - | - | 4.21 | - |
| Dividend of redeemable preference shares recognised as finance costs | 5 | (11.43) | - | - | - |
| Redeemable preference share capital classified as a financial liability | 5 | (100.00) | (100.00) | (100.00) | (100.00) |
| Impact on account of deferred tax on account of Ind AS adjustments | 6 | 13.28 | 10.02 | 14.78 | 7.58 |
| Others | | - | (1.06) | (1.05) | (6.32) |
| **Restated equity as per Ind AS** | | **3,827.81** | **187.48** | **197.02** | **141.11** |

**Reconciliation of restated total comprehensive income as previously reported under previous GAAP to Ind AS for the years ended March 31, 2017, March 31, 2016, March 31 2015 and March 31, 2014:**

**(Rupees in million, unless otherwise stated)**

| Particulars | Notes | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|
| **Restated profit/(loss) as per previous GAAP** | VI | **68.28** | **(2.55)** | **79.70** | **32.02** |
| **Add / (Less):** | | | | | |
| Net impact of unfinished voyage income/ expenses recognised under percentage of completion method | 1 | (5.96) | 0.24 | (9.00) | (1.13) |
| Expected credit loss | 2 | (0.02) | (0.32) | (0.29) | (0.11) |
| Impact of recognition of constructive obligation towards customary bonus | 3 | (3.87) | 13.49 | (12.54) | (2.94) |
| Dividend of redeemable preference shares recognised as finance costs | 5 | (11.43) | (11.43) | (11.43) | (11.11) |
| Impact on account of deferred tax | 6 | 3.26 | (4.76) | 7.20 | 1.83 |
| Share issue expenses adjusted against equity | 7 | 5.33 | - | - | - |
| Impact on account of other adjustments | | - | - | (0.06) | - |
| Others | | 1.06 | - | 5.27 | (6.32) |
| **Restated Total Comprehensive Income/ (Loss) as per Ind AS** | | **56.65** | **(5.33)** | **58.85** | **12.24** |

**Notes:**

1 Revenue and expenses related to incompleted voyages have been deferred to the subsequent period following the percentage completion method for revenue recognition in accordance with Ind AS 18, "Revenue".
2. Impairment for trade receivable is measured under Ind AS based on expected credit loss model versus incurred loss model under the previous GAAP.
3. In accordance with Ind AS 19 “Employee Benefits”, remeasurements of actuarial gain and losses of defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous GAAP
4. Dividend paid on equity share is recognised under Ind AS only in the year in which dividend is declared even though the dividend pertains to previous financial period.
5. Under Ind AS 109, preference share capital is treated as debt as the same is fully repayable on redemption date and accordingly same is re-classified as liability instead of equity. Further, dividends payable on such preference shares are required to be recognized as expenses in Statement of Profit and Loss instead of an item of appropriation under previous GAAP
6. The tax impacts primarily represent deferred tax consequences arising out of Ind AS re-measurement changes.
7. Transaction costs atributable to issue of equity shares has been adjusted against the securities premium instead of being charged to Statement of Profit and Loss under the previous GAAP.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure VIII**
**Restated Ind AS Standalone Statement of Property, plant and equipment and Intangible assets**

| Particulars | Containers | Containers on finance lease | Furniture and fixtures | Computers | Office equipments | Trailer (Commercial Vehicle) | Motor vehicle | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross block value as at April 1, 2013 (Proforma)** | **167.18** | - | **5.15** | **7.15** | **3.51** | **137.68** | **1.35** | **322.02** |
| Additions | - | - | 6.61 | 1.31 | 1.22 | - | - | 9.14 |
| Disposals | - | - | (0.79) | (0.23) | (1.08) | - | - | (2.10) |
| **Gross block value as at March 31, 2014 (Proforma)** | **167.18** | - | **10.97** | **8.23** | **3.65** | **137.68** | **1.35** | **329.06** |
| Additions | - | - | 0.77 | 1.44 | 0.59 | - | 9.45 | 12.25 |
| Disposals | - | - | (0.04) | - | (0.07) | - | - | (0.11) |
| **Gross block value as at March 31, 2015 (Proforma)** | **167.18** | - | **11.70** | **9.67** | **4.17** | **137.68** | **10.80** | **341.20** |
| Additions | 6.89 | 126.07 | 1.73 | 0.76 | 0.71 | 58.48 | 2.65 | 197.29 |
| Disposals | - | - | (0.12) | (0.01) | (0.09) | (45.68) | (0.82) | (46.72) |
| Effect of foreign currency exchange differences | - | (2.46) | - | - | - | - | - | (2.46) |
| **Gross block value as at March 31, 2016 (Proforma)** | **174.07** | **123.61** | **13.31** | **10.42** | **4.79** | **150.48** | **12.63** | **489.31** |
| **Adjusted for deemed cost (Refer note 3)** | (67.27) | (3.15) | (3.73) | (6.13) | (2.56) | (47.83) | (2.33) | (133.00) |
| **Balance as on 1 April 2016 (deemed cost)** | **106.80** | **120.46** | **9.58** | **4.29** | **2.23** | **102.65** | **10.30** | **356.31** |
| Additions | 12.90 | 40.57 | 0.87 | 0.86 | 0.59 | 27.89 | - | 83.68 |
| Disposals | (0.40) | - | - | (0.14) | - | - | - | (0.54) |
| Effect of foreign currency exchange differences | - | (1.21) | - | - | - | - | - | (1.21) |
| **Gross block value as at March 31, 2017** | **119.30** | **159.82** | **10.45** | **5.01** | **2.82** | **130.54** | **10.30** | **438.24** |
| Additions | - | - | 0.50 | 3.10 | 8.65 | - | - | 12.25 |
| Disposals | (4.53) | - | - | - | - | - | - | (4.53) |
| Effect of foreign currency exchange differences | - | 0.31 | - | - | - | - | - | 0.31 |
| **Gross block value as at March 31, 2018** | **114.77** | **160.13** | **10.95** | **8.11** | **11.47** | **130.54** | **10.30** | **446.27** |

| Particulars | Containers | Containers on finance lease | Furniture and fixtures | Computers | Office equipments | Trailer (Commercial Vehicle) | Motor vehicle | Total |
|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation as at April 1, 2013 (Proforma)** | **50.81** | - | **1.45** | **2.58** | **0.60** | **24.37** | **0.28** | **80.09** |
| Elimination on disposals of assets | - | - | (0.33) | (0.16) | (0.25) | - | - | (0.74) |
| Depreciation expense | 7.97 | - | 0.44 | 1.15 | 0.18 | 15.57 | 0.13 | 25.44 |
| **Accumulated depreciation as at March 31, 2014 (Proforma)** | **58.78** | - | **1.56** | **3.57** | **0.53** | **39.94** | **0.41** | **104.79** |
| Elimination on disposals of assets | - | - | (0.02) | - | (0.03) | - | - | (0.05) |
| Depreciation expense | 3.65 | - | 1.04 | 1.18 | 1.10 | 12.20 | 0.90 | 20.07 |
| **Accumulated depreciation as at March 31, 2015 (Proforma)** | **62.43** | - | **2.58** | **4.75** | **1.60** | **52.14** | **1.31** | **124.81** |
| Elimination on disposals of assets | - | - | (0.06) | (0.01) | (0.05) | (18.15) | (0.39) | (18.66) |
| Depreciation expense | 4.84 | 3.15 | 1.21 | 1.39 | 1.00 | 13.84 | 1.41 | 26.84 |
| **Accumulated depreciation as at March 31, 2016 (Proforma)** | **67.27** | **3.15** | **3.73** | **6.13** | **2.55** | **47.83** | **2.33** | **132.99** |
| **Adjusted for deemed cost** | **(67.27)** | **(3.15)** | **(3.73)** | **(6.13)** | **(2.55)** | **(47.83)** | **(2.33)** | **(132.99)** |
| **Balance as at 1 April 2016** | - | - | - | - | - | - | - | - |
| Elimination on disposals of assets | (0.20) | - | - | (0.12) | - | - | - | (0.32) |
| Depreciation expense | 5.58 | 6.61 | 1.29 | 1.53 | 0.92 | 16.14 | 1.50 | 33.57 |
| **Accumulated depreciation as at March 31, 2017** | **5.38** | **6.61** | **1.29** | **1.41** | **0.92** | **16.14** | **1.50** | **33.25** |
| Elimination on disposals of assets | (2.18) | - | - | - | - | - | - | (2.18) |
| Depreciation expense | 9.53 | 9.05 | 1.34 | 1.53 | 1.95 | 16.66 | 1.50 | 41.56 |
| **Accumulated depreciation as at March 31, 2018** | **12.73** | **15.66** | **2.63** | **2.94** | **2.87** | **32.80** | **3.00** | **72.63** |
| | | | | | | | | |
| **Carrying Value as at March 31, 2014 (Proforma)** | 108.40 | - | 9.41 | 4.66 | 3.11 | 97.74 | 0.94 | **224.27** |
| **Carrying Value as at March 31, 2015 (Proforma)** | 104.75 | - | 9.12 | 4.92 | 2.57 | 85.54 | 9.49 | **216.39** |
| **Carrying Value as at March 31, 2016 (Proforma)** | 106.80 | 120.46 | 9.58 | 4.29 | 2.23 | 102.65 | 10.30 | **356.31** |
| **Carrying Value as at March 31, 2017** | 113.92 | 153.21 | 9.16 | 3.60 | 1.90 | 114.40 | 8.80 | **404.99** |
| **Carrying Value as at March 31, 2018** | 102.04 | 144.47 | 8.32 | 5.17 | 8.60 | 97.74 | 7.30 | **373.64** |

**Notes:**
1) The Company has elected to use the carrying amounts (net block) measured as per the previous GAAP as deemed cost (gross block) as at April 1,2016 (i.e. the transition date)
2) Certain property, plant and equipment have been pledged against borrowings ,the details relating to which have been described in Annexure XIV.

**Intangible assets**

| Particulars | Computer software |
|---|---|
| **Gross block value as at April 1, 2013 (Proforma)** | **0.10** |
| Additions | 0.02 |
| **Gross block value as at March 31, 2014 (Proforma)** | **0.12** |
| Additions | - |
| **Gross block value as at March 31, 2015 (Proforma)** | **0.12** |
| Additions | 1.40 |
| **Gross block value as at March 31, 2016** | **1.52** |
| **Adjusted for deemed cost (Refer note 1)** | (0.21) |
| **Balance as on 1 April 2016 (deemed cost)** | **1.31** |
| Additions | - |
| **Gross block value as at March 31, 2017** | **1.31** |
| Additions | - |
| **Gross block value as at March 31, 2018** | **1.31** |

| Particulars | Computer software |
|---|---|
| **Accumulated depreciation as at April 1, 2013 (Proforma)** | **0.06** |
| Amortisation for the year | 0.04 |
| **Accumulated depreciation as at March 31, 2014 (Proforma)** | **0.10** |
| Amortisation for the year | - |
| **Accumulated amortisation as at March 31, 2015 (Proforma)** | **0.10** |
| Amortisation for the year | 0.11 |
| **Accumulated amortisation as at March 31, 2016** | **0.21** |
| **Adjusted for deemed cost (Refer note 1)** | (0.21) |
| **Balance as at April 1, 2016** | - |
| Amortisation for the year | 0.24 |
| **Accumulated amortisation as at March 31, 2017** | **0.24** |
| Amortisation for the year | 0.24 |
| **Accumulated amortisation as at March 31, 2018** | **0.48** |
| | |
| **Net block as at March 31, 2014 (Proforma)** | **0.02** |
| **Net block as at March 31, 2015 (Proforma)** | **0.02** |
| **Net block as at March 31, 2016 (Proforma)** | **1.31** |
| **Net block as at March 31, 2017** | **1.07** |
| **Net block as at March 31, 2018** | **0.83** |

Note: 1) The Company has elected to use the carrying amounts (net block) measured as per the previous GAAP as deemed cost (gross block) as at April 1,2016 (i.e. the transition date)

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure IX**
**Restated Ind AS Standalone Statement of Non-Current Investments**

**Non-current investments:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2018 | | March 31, 2017 | | March 31, 2016 (Proforma) | | March 31, 2015 (Proforma) | | March 31, 2014 (Proforma) | |
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| **Investment in equity instruments** | | | | | | | | | | |
| **Unquoted** | | | | | | | | | | |
| **Investments in subsidiaries (at cost or deemed cost refer note (1) below) :** | | | | | | | | | | |
| Avana Global FZCO (earlier known as Balaji Shipping Lines FZCO,UAE) | 4,99,999 | 3,589.01 | 4,99,999 | 3,589.01 | - | - | - | - | - | - |
| SRS Freight Management Limited | - | - | - | - | 36,050 | 20.95 | 10,450 | 5.49 | 10,450 | 5.49 |
| **Investment in preference shares (unquoted)** | | | | | | | | | | |
| SRS Freight Management Limited | - | - | - | - | - | - | 25,600 | 12.80 | 25,600 | 12.80 |
| **Total** | | **3,589.01** | | **3,589.01** | | **20.95** | | **18.29** | | **18.29** |
| **Aggregate amount of unquoted investments** | | **3,589.01** | | **3,589.01** | | **20.95** | | **18.29** | | **18.29** |

**Note:**
1) The Company has elected to continue with the carrying value of its investment in subsidiary, measured as per the Previous GAAP and used that carrying value as deemed cost on transition date April 1, 2016.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure X**
**Restated Ind AS Standalone Statement of Cash and Bank balances**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Cash and cash equivalents** | | | | | |
| **Balances with banks** | | | | | |
| In current accounts | 5.63 | 12.13 | 3.80 | 21.86 | 12.66 |
| Cash in hand | 0.17 | 0.17 | 0.29 | 0.50 | 0.32 |
| **Total** | **5.80** | **12.30** | **4.09** | **22.36** | **12.98** |
| **Other bank balances** | | | | | |
| Deposits with maturity of more than 3 months and less than 12 months | 4.44 | 3.48 | 5.73 | 30.90 | - |
| Margin money over which banks have lien, against performance gurantees issued | 9.47 | 8.53 | 3.80 | 12.31 | 23.66 |
| Bank balances representing collection on behalf of an overseas principal | 105.04 | - | - | - | - |
| **Total** | **118.95** | **12.01** | **9.53** | **43.21** | **23.66** |

**Footnote:**
**Non cash transactions:**
As per share purchase agreement, Avana Logistics Limited acquired 4,99,999 equity share of Avana Global FZCO (formerly known as Balaji Shipping Lines FZCO) on 26th March 2017. In consideration of the acquisition, Avana Logistics Limited issued 84,76,050 equity shares to Transworld Holding Limited – Mauritius of Rs 10 each at a premium of Rs 413/- per share

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XI**
**Restated Ind AS Standalone Statement of Tax Expense and Deferred Tax Liabilities (Net)**
**A. Income tax expenses / (benefits)**

(Rupees in million, unless otherwise stated)

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| (i) Current tax | | | | | |
| Current income tax expense | 94.03 | 18.51 | 4.60 | 42.87 | 10.82 |
| Tax expense of prior periods | 0.51 | 0.33 | (0.29) | 1.35 | 0.92 |
| | **94.54** | **18.84** | **4.31** | **44.22** | **11.74** |
| (ii) Deferred tax | 13.33 | 17.41 | 4.67 | (3.31) | 5.35 |
| Income tax expense reported in profit or loss | **107.87** | **36.25** | **8.98** | **40.91** | **17.09** |
| Other comprehensive income section: | | | | | |
| (i) Items that will not be reclassified to profit or loss | (1.39) | 0.01 | (0.57) | (0.22) | 0.12 |
| Income tax expense /(benefit) reported in other comprehensive income | **(1.39)** | **0.01** | **(0.57)** | **(0.22)** | **0.12** |
| Total tax expense | **106.48** | **36.26** | **8.41** | **40.69** | **17.21** |

**B. Deferred Tax Liabilities (Net)**

(Rupees in million, unless otherwise stated)

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Deferred tax liabilities in relation to:** | **54.81** | **48.55** | **29.02** | **26.47** | **23.68** |
| Property, plant and equipment | 54.81 | 48.55 | 29.02 | 26.47 | 23.68 |
| **Deferred tax assets in relation to:** | **(15.70)** | **(21.38)** | **(19.27)** | **(20.84)** | **(14.52)** |
| Allowances for doubtful receivables | (4.28) | (3.17) | (5.18) | (2.90) | (0.79) |
| Allowances for claims receivable | - | - | (0.24) | (0.26) | - |
| Leave encashment and gratuity | (6.27) | (3.67) | (3.83) | (2.89) | (2.41) |
| Expected credit loss allowance | - | (0.29) | (0.29) | (0.19) | (0.09) |
| Provision for customary bonus | (5.15) | (3.73) | (2.43) | (7.09) | (2.87) |
| Unfinished voyage income / expenses (net) | - | (9.27) | (7.30) | (7.51) | (4.61) |
| MAT credit entitlement | - | (1.25) | - | - | (3.75) |
| **Deferred tax liabilities (net)** | **39.11** | **27.17** | **9.75** | **5.63** | **9.16** |

**C. Tax reconciliation**

(Rupees in million, unless otherwise stated)

| Sr. No. | Particulars | For the years ended | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **A** | **Restated profit before tax** | 295.41 | 92.88 | 4.80 | 100.19 | 29.08 |
| **B** | Statutory tax rate (%) | 34.61% | 33.06% | 33.06% | 33.99% | 32.45% |
| **C** | Tax at statutory rate | 102.24 | 30.71 | 1.59 | 34.05 | 9.44 |
| **D** | **Expenses not deductible in determining taxable profit** | | | | | |
| | Provision for interest on preference shares | 3.48 | 3.78 | 3.78 | 3.88 | 3.61 |
| | Interest on TDS and professional tax | 0.29 | 0.62 | 4.59 | 0.03 | - |
| | Others (net) | 0.66 | 0.81 | (0.64) | 1.68 | 2.82 |
| | Income tax pertaining to prior year | 0.51 | 0.33 | (0.29) | 1.35 | 0.92 |
| | Effect of changes in tax rates on opening deferred tax asset/liability | 0.69 | - | (0.05) | (0.08) | 0.30 |
| **E** | **Income tax recognised during the year** | **107.87** | **36.25** | **8.98** | **40.91** | **17.09** |
| **F** | Income tax as per Statement of Profit and Loss | 107.87 | 36.25 | 8.98 | 40.91 | 17.09 |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XII**
**Restated Ind AS Standalone Statement of Other Assets**

**Other non-current assets:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Unsecured, considered good** | | | | | |
| Deposits | 0.48 | 0.48 | 0.29 | 0.29 | 0.19 |
| Prepaid expenses | 0.16 | - | - | - | - |
| **Total Other non-current assets** | **0.64** | **0.48** | **0.29** | **0.29** | **0.19** |

**Other current assets:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Unsecured, considered good** | | | | | |
| Prepaid expenses | 7.06 | 5.07 | 4.29 | 7.05 | 7.12 |
| Advances to employees | - | 0.60 | 0.48 | 0.39 | - |
| Claims receivable | - | 0.29 | 0.33 | 0.09 | 1.33 |
| GST input credit receivable | 77.20 | - | - | - | - |
| Advances to related parties | - | - | - | 2.06 | 0.03 |
| Deposits with customs authority | - | - | - | 20.60 | - |
| Others | 0.66 | 0.78 | 0.78 | 7.45 | 4.95 |
| **Total Other current assets** | **84.92** | **6.74** | **5.88** | **37.64** | **13.43** |

**Other non-current financial assets:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Unsecured, considered good** | | | | | |
| Security deposits | 8.45 | 7.98 | 7.34 | 5.13 | 7.41 |
| **Total other non-current financial assets** | **8.45** | **7.98** | **7.34** | **5.13** | **7.41** |

**Other current financial assets:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Unsecured, considered good** | | | | | |
| Security deposits | 4.24 | 14.37 | 14.37 | 21.60 | 21.75 |
| Unbilled revenue | 13.16 | 36.04 | 32.29 | 5.70 | 36.92 |
| Interest acccrued on fixed deposits with banks | 0.63 | 0.28 | 0.24 | 0.48 | 0.28 |
| Others | 1.44 | - | - | - | - |
| **Total other current financial assets** | **19.47** | **50.69** | **46.90** | **27.78** | **58.95** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XIII**
**Restated Ind AS Standalone Statement of Trade Receivables**

**(Rupees in million, unless otherwise stated)**

| **Particulars** | **As at** | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **(Unsecured unless otherwise stated)** | | | | | |
| Considered good | 1,355.85 | 882.97 | 865.07 | 526.02 | 372.03 |
| Considered doubtful | 12.26 | 10.47 | 16.54 | 8.92 | 2.59 |
| | **1,368.11** | **893.44** | **881.61** | **534.94** | **374.62** |
| Allowance for doubtful debts (expected credit loss allowance) | (12.26) | (10.47) | (16.54) | (8.92) | (2.59) |
| **Total trade receivable** | **1,355.85** | **882.97** | **865.07** | **526.02** | **372.03** |

**Movement of allowance for doubtful receivables**

| | | | | | |
|---|---|---|---|---|---|
| Balance at beginning of the year | 10.47 | 16.54 | 8.92 | 2.59 | 1.00 |
| Addition/(reversal) of allowance | 1.79 | (6.07) | 7.62 | 6.33 | 1.59 |
| Balance at end of the year | **12.26** | **10.47** | **16.54** | **8.92** | **2.59** |

The credit period on services rendered ranges from 30 to 60 days generally without security.
The Company does not generally hold any collateral over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XIV**
**Restated Ind AS Standalone Statement of Non-current and Current Borrowings**

**(a) Non-current borrowings**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Secured (at amortised cost) (refer note (3)):** | | | | | |
| Term loans from banks | 46.22 | 62.78 | 54.21 | 12.44 | 63.11 |
| Other loans | 2.23 | 3.73 | 5.02 | 6.23 | - |
| Finance lease obligations | 61.76 | 85.24 | 108.61 | - | - |
| | **110.21** | **151.75** | **167.84** | **18.67** | **63.11** |
| Current maturities of non-current borrowings (Refer Annexure XVI) | (44.59) | (41.57) | (38.73) | (9.31) | (31.52) |
| **Total** | **65.62** | **110.18** | **129.11** | **9.36** | **31.59** |

**(b) Current borrowings**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Secured** | | | | | |
| Loans repayable on demand from banks (bank overdraft) (Refer note (2) below) | 196.56 | 176.89 | 251.51 | 171.86 | 167.57 |
| **Unsecured** | | | | | |
| Non-convertible, cumulative, redeemable preference share capital (Refer note (1) below) | - | 100.00 | 100.00 | 100.00 | 100.00 |
| **Total** | **196.56** | **276.89** | **351.51** | **271.86** | **267.57** |

**Notes:**
1) 10,000,000 Non-convertible, cumulative, redeemable preference shares carry interest rate of 9.5% per annum.
2) Working capital loan from banks, repayable on demand are secured by first charge on all trade receivables, cash and cash equivalents and other financial assets of the Company. (As on March 31, 2017, 2016, 2015, 2014 working capital loan was secured by corporate guarantee from Shreyas Shipping and Logostics Limited as collateral security)

**Avana Logistek Limited**

**(Formerly known as Shreyas Relay Systems Limited)**

**Annexure XIV**

**Statement of Principal Terms of Secured Borrowings outstanding as at Balance sheet dates**

**3) Nature and security and terms of repayment for secured loan availed.**

**(Rupees in million, unless otherwise stated)**

| Sl | Particulars | Security | Repayment details | Amount outstanding as on 31 March, 2018 | Amount outstanding as on 31 March, 2017 | Amount outstanding as on 31 March, 2016 (Proforma) | Amount outstanding as on 31 March, 2015 (Proforma) | Amount outstanding as on 31 March, 2014 (Proforma) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| 1 | Term loans from banks | first pari passu charge on specific trailers | Interest ranging from 9.70% to 11.10% repayable in equal monthly instalments till 15 October 2016 | - | - | 2.53 | 7.29 | 42.54 |
| 2 | Term loans from banks | first pari passu charge on specific trailers | Interest ranging from 9.31% to 10.65% repayable in equal monthly instalments till April 2020 | 46.22 | 62.78 | 51.68 | 5.15 | 20.57 |
| 3 | Other loans | first pari passu charge on BMW car | 10.5% interest repayble in equal installment till July 2019 | 2.23 | 3.73 | 5.02 | 6.23 | - |
| 4 | Finance lease obligations | first pari passu charge on specific containers | 4.78% repayable in monthly installments from September 2015 to August 2020 | 61.76 | 85.24 | 108.61 | - | - |
| 5 | Working capital loan from banks | Repayable on demand. | Refer note (2) | 196.56 | 176.89 | 251.51 | 171.86 | 167.57 |
| | | | | | | | | |
| | | | | **306.77** | **328.64** | **419.35** | **190.53** | **230.68** |

**4) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Company's financing activities, including both cash and non-cash changes, Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Company's Statement of cash flows as cash flows from financing activities:

| Particulars | As at 31-Mar-17 | Non-cash changes-finance lease adjustments | Financing cash flows - (repayments)/ availment | As at 31-Mar-18 |
|---|---|---|---|---|
| Term loans from banks | 62.78 | - | (16.56) | 46.22 |
| Other loans | 3.73 | - | (1.50) | 2.23 |
| Finance lease obligations | 85.24 | - | (23.48) | 61.76 |
| Non-convertible, cumulative, redeemable preference share capital | 100.00 | - | (100.00) | - |
| Loans repayable on demand from banks (bank overdraft) | 176.89 | - | 19.67 | 196.56 |
| | **428.64** | **-** | **(121.87)** | **306.77** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XV**
**Restated Ind AS Standalone Statement of Provisions**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Non-Current | | | | | Current | | | | |
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Provision for gratuity | 5.06 | 1.48 | 4.03 | 1.46 | - | - | - | - | - | - |
| Provision for compensated absences | - | - | - | - | - | 12.87 | 9.64 | 7.55 | 6.89 | 7.09 |
| Provision for performance bonus | - | - | - | - | - | 14.74 | 11.23 | 7.35 | 20.85 | 8.30 |
| Provision for dividend distribution tax | - | - | - | - | - | - | 1.93 | 1.93 | 1.93 | 1.61 |
| **Total** | **5.06** | **1.48** | **4.03** | **1.46** | **-** | **27.61** | **22.80** | **16.83** | **29.67** | **17.00** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XVI**
**Restated Ind AS Standalone Statement of Other Liabilities**

**Trade payables**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Other payables | 1,139.97 | 714.03 | 589.31 | 330.95 | 251.53 |
| Dues to Micro enterprises and small enterprises* | - | - | - | - | - |
| | **1,139.97** | **714.03** | **589.31** | **330.95** | **251.53** |

* There is no amount due to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprise Development Act, 2006". The information has been determined to the extent such parties have been identified on the basis of information available with the Group.

**Other financial liabilities**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Current maturities of borrowings: | | | | | |
| Term loans from banks | 18.24 | 16.56 | 14.87 | 8.10 | 31.52 |
| Other loans | 1.65 | 1.48 | 1.23 | 1.21 | - |
| Finance lease obligations | 24.70 | 23.53 | 22.63 | - | - |
| Interest accrued but not due on preference shares | - | 9.50 | 9.50 | 9.50 | 9.50 |
| Due to related party under agency arrangement | 105.05 | - | - | - | - |
| **Total** | **149.64** | **51.07** | **48.23** | **18.81** | **41.02** |

**Other current liabilities**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Statutory liabilities | 16.79 | 7.77 | 14.93 | 2.25 | 2.84 |
| Unfinished voyage income | 61.57 | 50.27 | 54.94 | 61.02 | 12.26 |
| Advances from customers | 3.08 | 3.26 | 2.90 | 12.53 | 2.42 |
| **Total** | **81.44** | **61.30** | **72.77** | **75.80** | **17.52** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XVII**
**Restated Ind AS Standalone Statement of Revenue from operations**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Sales of services:** | | | | | |
| Domestic service income | 6,284.36 | 4,453.27 | 3,331.65 | 2,804.23 | 2,269.24 |
| Liner income | 148.41 | 958.72 | 824.75 | 714.46 | 543.67 |
| Trailer income | 177.17 | 112.07 | 113.15 | 160.47 | 193.41 |
| Agency Income | 74.56 | - | - | - | - |
| Rail domestic income | - | - | - | 40.78 | 75.93 |
| **Total** | **6,684.50** | **5,524.06** | **4,269.55** | **3,719.94** | **3,082.25** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XVIII**

**Restated Ind AS Standalone Statement of Other income**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **II. Other income** | | | | | |
| Interest income earned on financial assets that are not designated as FVTPL | | | | | |
| - Bank deposits | 0.91 | 0.83 | 1.74 | 3.61 | 0.60 |
| Interest - others | - | 0.77 | - | - | - |
| Interest on income tax refund | - | - | 0.43 | 0.23 | - |
| Gain on sale of investments | - | 0.25 | - | - | - |
| Foreign exchange gain | - | - | 0.23 | 0.05 | 1.05 |
| Miscellaneous income | - | - | 0.06 | - | 0.77 |
| **Total** | **0.91** | **1.85** | **2.46** | **3.89** | **2.42** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XIX**
**Restated Ind AS Standalone Statement of Freight Expenses and Other Operating Expenses**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the Years Ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Freight expenses** | | | | | |
| Ocean freight charges | 2,745.21 | 2,288.24 | 1,937.07 | 1,674.62 | 1,334.51 |
| Transportation expenses | 1,654.69 | 1,166.49 | 703.10 | 745.60 | 730.75 |
| Terminal handling charges | 995.73 | 1,148.73 | 894.28 | 646.41 | 515.46 |
| **Total** | **5,395.63** | **4,603.45** | **3,534.45** | **3,066.63** | **2,580.72** |

**(Rupees in million, unless otherwise stated)**

| Particulars | For the Years Ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Other operating expenses** | | | | | |
| Container lease rent | 252.18 | 266.47 | 238.74 | 170.60 | 128.33 |
| Container handling and storage charges | 197.19 | 121.76 | 86.40 | 76.28 | 58.95 |
| Container repairs and survey charges | 67.06 | 50.37 | 34.63 | 36.91 | 23.00 |
| Agency fees/brokerage | 5.46 | 22.54 | 20.32 | 15.65 | 10.94 |
| Container/ Cargo Insurance | 3.46 | 5.35 | 6.02 | 7.60 | 4.69 |
| Other expenses | 25.76 | 48.72 | 38.83 | 4.88 | 5.50 |
| **Total** | **551.11** | **515.21** | **424.94** | **311.92** | **231.41** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XX**
**Restated Ind AS Standalone Statements of Employee Benefit Expense**

**Employee benefits expense:**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the Year Ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Salaries, wages and bonus | 195.70 | 113.76 | 105.35 | 95.87 | 78.63 |
| Contribution to provident and other funds (refer Annexure XXX) | 9.44 | 5.17 | 5.86 | 5.24 | 5.95 |
| Staff welfare expenses | 1.56 | 1.07 | 2.21 | 8.08 | 11.72 |
| **Total** | **206.70** | **120.00** | **113.42** | **109.19** | **96.30** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXI**
**Restated Ind AS Standalone Statements of Finance Costs**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the Years Ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Interest expenses on financial liabilities not classified as FVTPL | | | | | |
| Interest cost : | | | | | |
| From banks | 21.24 | 28.84 | 24.48 | 27.67 | 28.48 |
| From others | 0.32 | 0.47 | 0.60 | 0.41 | - |
| From related party | - | - | - | - | 4.67 |
| Interest on finance lease obligation | 3.55 | 4.69 | 3.25 | - | - |
| Dividend on redeemable preference shares | 10.06 | 11.43 | 11.43 | 11.43 | 11.11 |
| **Total** | **35.17** | **45.43** | **39.76** | **39.51** | **44.26** |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXII**
**Restated Ind AS Standalone Statements of Other expenses**

(Rupees in million, unless otherwise stated)

| Particulars | For the year ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Professional fees | 27.98 | 35.07 | 37.15 | 12.43 | 13.95 |
| Rent | 19.91 | 14.27 | 13.56 | 11.71 | 11.78 |
| Travelling and conveyance | 25.46 | 15.07 | 13.61 | 11.57 | 14.52 |
| Repairs and maintenance others | 12.48 | 5.79 | 5.10 | 4.40 | 4.31 |
| Business promotion | 10.60 | 3.45 | 3.92 | 4.70 | - |
| Communication expenses | 5.34 | 3.85 | 3.07 | 2.89 | 3.07 |
| Vehicle lease rent | 2.09 | 3.46 | 3.56 | 3.32 | 2.89 |
| Director sitting fees | 3.38 | 2.83 | 1.85 | 1.44 | 0.81 |
| Printing and stationery | 4.05 | 2.93 | 2.76 | 2.12 | 2.55 |
| Audit fees (refer note below) | 9.62 | 4.11 | 2.68 | 2.67 | 1.71 |
| Bad debts written off | 5.20 | 8.79 | - | 1.02 | 2.60 |
| Allowance for expected credit loss | 1.79 | (6.07) | 7.62 | 6.33 | 1.59 |
| Rates and taxes | 0.45 | 0.05 | 1.34 | 0.02 | 1.74 |
| Electricity expenses | 4.21 | 2.49 | 2.51 | 2.52 | 2.22 |
| Insurance expenses | 3.82 | 2.46 | 1.27 | 0.17 | 0.49 |
| Donation | 0.10 | 0.01 | 0.01 | 0.05 | - |
| Loss on sale/discard of assets (net) | 0.80 | 0.22 | 3.01 | 0.02 | 1.19 |
| Corporate social responsibility expenditure (refer below note**) | 1.00 | 0.50 | - | - | - |
| Miscellaneous expenses | 21.31 | 15.85 | 27.33 | 8.94 | 12.00 |
| **Total** | **159.59** | **115.13** | **130.35** | **76.32** | **77.42** |

| | | | | | |
|---|---|---|---|---|---|
| **Payment to auditors** | | | | | |
| Audit fees | 8.14 | 3.55 | 2.40 | 2.47 | 1.35 |
| Tax audit fees | 0.30 | 0.25 | 0.11 | 0.11 | 0.17 |
| other services | 1.00 | 0.10 | 0.10 | 0.04 | 0.15 |
| Out of pocket expenses | 0.18 | 0.21 | 0.07 | 0.05 | 0.04 |
| **Total** | **9.62** | **4.11** | **2.68** | **2.67** | **1.71** |

| | | | | | |
|---|---|---|---|---|---|
| ****Details of Corporate Social Resposibility ('CSR') expenditure** | | | | | |
| Gross amount required to be spent | 1.70 | 1.44 | 1.58 | 0.93 | - |
| Amount actually spent on CSR activities: | | | | | |
| On construction/ acquisition of any asset | - | - | - | - | - |
| On purpose other than stated above | 1.00 | 0.50 | - | - | - |
| Amount yet to be spent | 0.70 | 0.94 | 1.58 | 0.93 | - |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIII**
**Notes to Restated Ind AS Standalone Statement of Leases**

**a) Finance lease commitments**

The Company has taken 1,000 Containers on finance lease for a period of 5 years with an option to purchase them at the end of lease tenure at a price sufficiently lower then fare value, (refer Annexure VIII).
Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

**(Rupees in million, unless otherwise stated)**

| | As at | | | | |
|---|---|---|---|---|---|
| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **Future minimum lease payments (MLP)** | | | | | |
| a) Within one year | 27.11 | 27.09 | 27.33 | - | - |
| b) Later than one but not later than five years | 38.41 | 65.47 | 93.36 | - | - |
| c) Later than five years | - | - | - | - | - |
| | | | | | |
| **Present value of MLP** | | | | | |
| a) Within one year | 24.70 | 23.53 | 22.63 | - | - |
| b) Later than one but not later than five years | 37.06 | 61.71 | 85.98 | - | - |
| c) Later than five years | **-** | **-** | **-** | **-** | **-** |
| | | | | | |
| **Interest element of MLP** | | | | | |
| a) Within one year | 2.41 | 3.56 | 4.70 | - | - |
| b) Later than one but not later than five years | 1.35 | 3.76 | 7.38 | - | - |
| c) Later than five years | - | - | - | - | - |

**b)Operating lease commitments:**
The Company's operating lease arrangements are in respect of containers, office premises and vehicles.

The Company has taken containers on cancellable operating lease and the lease rental of Rs. 252.18 million, Rs. 266.47 million, Rs. 238.74 million, Rs.170.60 million and Rs. 128.33 million is charged to the Statement of Profit and Loss for the year ended 31 March 2018, 2017, 2016, 2015 and 2014 respectively.
The Company has entered into cancellable and non-cancellable operating leasing arrangements for its various office premises. The lease expense recognised for cancellable and non cancellable agreements are Rs. 19.91 million, Rs. 14.27 million, Rs. 13.56 million, Rs. 11.71 million and Rs. 11.78 million for the year ended 31 March 2018, 2017, 2016, 2015 and 2014 respectively.

The minimum future lease rentals payable in respect of non-cancellable lease period are as follows :

**(Rupees in million, unless otherwise stated)**

| | As at | | | | |
|---|---|---|---|---|---|
| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| Within less than one year | 22.55 | 13.55 | 9.56 | 1.03 | 1.24 |
| Between one and five years | 52.34 | 42.94 | 28.01 | 0.36 | 1.39 |
| After more than five years | - | - | - | - | - |

The Company has taken vehicles on cancellable operating lease and the lease rental of Rs 2.09 million, Rs. 3.46 million, Rs. 3.56 million, Rs. 3.32 million and Rs. 2.89 million is charged to the Statement of Profit and Loss for the period ended 31 March 2018, 2017, 2016, 2015 and 2014 respectively.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Standalone Statement of Related Party Transactions**

**a) Names of related parties and description of relationship:**

| Particulars | Name of the related party |
|---|---|
| Ultimate Holding Company | Transworld Holdings Limited, Mauritius |
| Holding Company | Shreyas Shipping & Logistics Limited (till 26th March 2017)<br>Transworld Holdings Limited, Mauritius (wef 27th March 2017) |
| Entity having significant influence | Shreyas Shipping & Logistics Limited (wef 27th March 2017) |
| Subsidiary company | SRS Freight Management Limited (till 28th Oct 2016)<br>Avana Global FZCO(wef 27th March 2017)<br>Transworld Saudi Arabia (wef 27th March 2017)<br>Transworld Shipping Trading and Logistics Services LLC, Oman (wef 27th March 2017)<br>Transworld Shipping and Logistics LLC, Dubai (wef 27th March 2017)<br>Balaji Shipping Lines UK (wef 27th March 2017) |
| Fellow subsidiary company | Transworld Feeders FZCO (earlier known as Orient Express Lines FZCO)<br>Avana Global FZCO (earlier known as Balaji Shipping Line FZCO) (till 26 March 2017)<br>Transworld Saudi Arabia (till 26 March 2017)<br>Transworld Shipping Trading and Logistics Services LLC, Oman (till 26th March 2017)<br>BSL Freight Solutions Private Limited (wef 3 March 2017)<br>Encore Pierian Logistics Business Services Limited (wef 4 May 2016)<br>Transworld Shipping Agencies Private Limited |
| Key management personnel | Mr. S. Ramakrishnan (Chairman)<br>Mr. V. Ramnarayan (Executive Director)<br>Mr. S Mahesh (resigned on 1st December, 2016)<br>Mr. Ritesh Ramakrishnan<br>Mr. S. Ragothaman<br>Mr. D.T.Joseph<br>Mr. Hari Padmanabhan<br>Mr. Amitabha Ghosh<br>Mrs. Ravi Jadhav<br>Mr Anil Gupta<br>Mr. S. Varadarajan (CEO)<br>Mrs.Rajna Ganesh (CFO) (till 30th January, 2018)<br>Mr Sanjay Bohra (CFO) (wef 20th February, 2018) |
| Relatives of key managerial personnel | Mrs. Saraswathi Ramanath<br>Mr. Raghav Ganesh<br>Mrs Sapna S Bohra |
| Other related parties | ADMEC Logistics Limited<br>Albatross Shipping Limited<br>Clarion Shipping Private Limited, Colombo<br>Crescent Shipping Agency (I) Limited<br>Orient Express Lines (Singapore) Pte. Limited<br>Relay Shipping Agency Limited<br>Sivaswamy Holdings Private. Limited<br>BSL Freight Solutions Private Limited<br>Orient Express Ship Management Limited<br>Transworld Management Consultancy Private Limited<br>TLPL Shipping and Logsitics Private. Limited<br>Transworld GLS (I) Private. Limited<br>Transworld Shipping and Logistics Limited<br>Transworld Shipping & Logistics LLC, Dubai (till 26th March 2017) |

* Related parties with whom transactions have taken place during the year.

**b) Summary of transactions with the above related parties are as follows:**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| **Domestic service income** | **30.67** | **36.33** | **18.40** | **8.46** | **1.18** |
| Shreyas Shipping & Logistics Limited | - | - | - | 0.19 | 1.15 |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited) | - | - | 1.53 | - | - |
| TLPL Shipping and Logsitics Private Limited | 30.67 | 36.33 | 16.87 | 7.79 | - |
| Others | - | - | - | 0.48 | 0.03 |
| **Liner income** | **1.17** | **9.18** | **19.61** | **31.70** | **39.66** |
| Albatross Shipping Limited | - | - | - | - | 2.94 |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited) | - | 0.35 | 0.49 | 20.58 | 36.68 |
| TLPL Shipping and Logsitics Private Limited | 0.11 | 6.07 | 12.36 | 3.96 | 0.04 |
| Transworld GLS (I) Private Limited | - | - | 4.34 | - | - |
| BSL Freight Solutions Private Limited | 1.06 | 2.58 | - | - | - |
| Transworld Shipping & Logistics Limited | - | - | - | 2.26 | - |
| Others | - | 0.18 | 2.42 | 4.90 | - |
| **Trailer income** | **9.55** | **1.30** | **4.26** | **3.81** | **-** |
| Shreyas Shipping & Logistics Limited | 9.55 | - | - | - | - |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited) | - | 1.22 | 4.06 | 3.81 | - |
| BSL Freight Solutions Private Limited | - | 0.08 | 0.20 | - | - |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Standalone Statement of Related Party Transactions**

**b) Summary of transactions with the above related parties are as follows: (Continued)**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Agency Income** | **74.59** | **-** | **-** | **-** | **-** |
| Avana Global FZCO | 74.59 | - | - | - | - |
| | | | | | |
| **Ocean freight charges** | **2,701.60** | **2,101.44** | **1,734.83** | **1,576.40** | **1,333.57** |
| Shreyas Shipping & Logistics Limited | 2,665.41 | 1,948.94 | 1,563.99 | 1,406.65 | 1,230.80 |
| Transworld Feeders FZCO (earlier known as Orient Express Line FZCO) | 35.35 | 151.23 | - | 151.09 | - |
| Orient Express Lines Limited-Singapore | 0.84 | - | - | 18.66 | - |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited | - | - | - | - | 0.06 |
| Others | - | 1.27 | 170.84 | - | 102.71 |
| | | | | | |
| **Terminal handling charges** | **20.49** | **21.52** | **18.50** | **12.01** | **20.74** |
| Shreyas Shipping & Logistics Limited | 20.15 | 20.83 | 10.77 | 8.83 | 17.23 |
| Relay Shipping Agency Limited | - | - | - | - | 2.39 |
| TLPL Shipping and Logsitics Private Limited | - | - | 6.61 | - | - |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited) | - | - | - | 0.05 | 0.35 |
| Transworld Feeders FZCO (earlier known as Orient Express Line FZCO) | 0.32 | 0.47 | 0.78 | 0.45 | - |
| Transworld Shipping & Logistics Limited | - | - | - | 2.14 | - |
| Others | 0.02 | 0.22 | 0.34 | 0.54 | 0.77 |
| | | | | | |
| **Agency fees** | **3.20** | **10.34** | **8.76** | **4.49** | **1.91** |
| Clarion Shipping Private Limited | 0.23 | 1.64 | 1.78 | 0.69 | 1.71 |
| Transworld Shipping, Trading & Logistics Services LLC | 0.19 | 1.20 | 0.89 | 0.62 | 0.20 |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited) | - | 0.94 | 1.87 | - | - |
| TLPL Shipping and Logsitics Private Limited | - | - | 3.55 | 2.13 | - |
| Transworld Saudi Arabia | - | - | 0.62 | 0.86 | - |
| Transworld Shipping & Logistics LLC, Dubai | 2.72 | 6.33 | - | - | - |
| Others | 0.06 | 0.23 | 0.05 | 0.19 | - |
| | | - | - | - | - |
| **Container lease rent** | **(13.82)** | **21.55** | **33.83** | **9.88** | **-** |
| Avana Global FZCO | (13.82) | 21.55 | 33.83 | 9.88 | - |
| | | | | | |
| **Container handling and storage charges** | **-** | **-** | **0.46** | **-** | **3.50** |
| Admec Logistics Limited | - | - | - | - | 2.79 |
| Shreyas Shipping & Logistics Limited | - | - | - | - | 0.03 |
| TLPL Shipping and Logsitics Private Limited | - | - | 0.46 | - | - |
| Others | - | - | - | - | 0.68 |
| | | | | | |
| **Container repairs and survey charges** | **18.83** | **0.77** | **0.23** | **-** | **2.88** |
| Admec Logistics Limited | - | - | - | - | 2.86 |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited | - | - | - | - | 0.02 |
| Avana Global FZCO | 18.83 | 0.77 | 0.23 | - | - |
| | | | | | |
| **Other expenses** | **1.88** | **7.52** | **4.70** | **2.16** | **0.16** |
| Shreyas Shipping & Logistics Limited | - | 0.42 | - | 0.25 | - |
| Relay Shipping Agency Limited | - | - | - | - | 0.14 |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited) | - | - | - | - | 0.01 |
| Encore Pierian Logistics Business Services Limited | 1.71 | 7.01 | 4.01 | 1.91 | - |
| Avana Global FZCO | 0.08 | - | 0.32 | - | - |
| TLPL Shipping and Logsitics Private Limited | - | - | 0.36 | - | - |
| Others | 0.09 | 0.09 | 0.01 | - | 0.01 |

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Standalone Statement of Related Party Transactions**
**b) Summary of transactions with the above related parties are as follows: (Continued)** **(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Trailer expenses** | **0.27** | **1.07** | **0.96** | **0.89** | **-** |
| Encore Pierian Logistics Business Services Limited | 0.27 | 1.07 | 0.96 | 0.89 | - |
| **Transportation expenses** | **-** | **0.34** | **0.52** | **-** | **14.27** |
| Admec Logistics Limited | - | - | - | - | 13.92 |
| Shreyas Shipping & Logistics Limited | - | - | - | - | 0.35 |
| TLPL Shipping and Logsitics Private Limited | - | 0.34 | 0.52 | - | - |
| **Professional fees** | **3.63** | **15.78** | **19.11** | **1.38** | **-** |
| Encore Pierian Logistics Business Services Limited | 3.63 | 15.78 | 19.11 | 1.38 | - |
| **Rent paid** | **13.05** | **8.15** | **8.06** | **9.51** | **9.58** |
| Sivaswamy Holdings Private Limited | 11.33 | 7.53 | 7.48 | 8.84 | 9.38 |
| Transworld Shipping & Logistics Limited | - | - | - | - | 0.20 |
| Others | 1.72 | 0.62 | 0.58 | 0.67 | - |
| **Travelling and conveyance** | **-** | **-** | **0.13** | **0.49** | **-** |
| Sivaswamy Holdings Private Limited | - | - | 0.13 | 0.49 | - |
| **Vehicle lease rent** | **1.85** | **1.58** | **1.56** | **0.94** | **0.60** |
| Saraswathi Ramanath | 1.08 | 1.09 | 1.08 | 0.59 | 0.60 |
| Raghav Ganesh | 0.24 | 0.49 | 0.48 | 0.35 | - |
| Sapna S Bohra | 0.53 | - | - | - | - |
| **Recovery of container lease rent** | - | **-** | **0.19** | **-** | **-** |
| Transworld Saudi Arabia | - | - | 0.19 | - | - |
| **Recovery of expenses** | - | **-** | **0.19** | **-** | **-** |
| Shreyas Shipping & Logistics Limited | - | - | 0.19 | - | - |
| **Recovery of income** | - | **-** | **0.12** | **-** | **-** |
| Avana Global FZCO | - | - | 0.01 | - | - |
| Encore Pierian Logistics Business Services Limited | - | - | 0.00 | - | - |
| Relay Shipping Agency Limited | - | - | 0.02 | - | - |
| Shreyas Shipping & Logistics Limited | - | - | 0.09 | - | - |
| **Interest on unsecured Loan** | - | **-** | **-** | **-** | **4.66** |
| Shreyas Shipping & Logistics Limited | - | - | - | - | 4.66 |
| **Duty credit transfer** | - | **-** | **2.80** | **-** | **-** |
| Shreyas Shipping & Logistics Limited | - | - | 2.80 | - | - |
| **Sale of fixed assets** | - | **-** | **-** | **-** | **0.07** |
| Sivaswamy Holdings Private Limited | - | - | - | - | 0.07 |
| **Remuneration to KMP (refer footnote c)** | **21.44** | **17.75** | **15.84** | **7.21** | **4.75** |
| **Director sitting fees** | **3.41** | **2.82** | **1.85** | **1.44** | **0.82** |
| S. Ramakrishnan | 0.26 | 0.16 | 0.07 | 0.12 | 0.08 |
| Ritesh Ramakrishnan | 0.71 | 0.52 | 0.15 | 0.11 | 0.18 |
| Amitabha Ghosh | 0.58 | 0.47 | 0.24 | 0.16 | 0.08 |
| D.T. Joseph | 0.59 | 0.49 | 0.43 | 0.30 | 0.18 |
| S. Ragothaman | 0.74 | 0.64 | 0.39 | 0.26 | 0.10 |
| Hari Padmanabhan | 0.20 | 0.30 | 0.17 | 0.13 | 0.06 |
| Rani Jadhav | 0.25 | 0.19 | 0.10 | 0.07 | - |
| S Mahesh | - | 0.05 | 0.07 | 0.10 | 0.04 |
| Anil Gupta | 0.08 | - | - | - | - |
| Anand Krishnan | - | - | 0.23 | 0.19 | 0.10 |
| **Interest Expense** | **8.36** | **9.50** | **9.50** | **9.50** | **9.50** |
| Crescent Shipping Agency (I) Limited | 4.18 | 4.75 | 4.75 | 4.75 | 4.75 |
| Transworld Shipping & Logistics Limited | 4.18 | 4.75 | 4.75 | 4.75 | 4.75 |
| **Equity shares issued** | **-** | **3,589.01** | **-** | **-** | **70.00** |
| Shreyas Shipping & Logistics Limited(on conversion of loan) | - | - | - | - | 70.00 |
| Transworld Holdings Limited, Mauritius | - | 3,589.01 | - | - | - |
| **Equity interim dividend paid** | **-** | **-** | **2.45** | **2.45** | **-** |
| Shreyas Shipping & Logistics Limited | **-** | - | 2.45 | 2.45 | - |
| **Equity final dividend paid** | **5.42** | **-** | **3.50** | **-** | **-** |
| Shreyas Shipping & Logistics Limited | 5.25 | - | 3.50 | - | - |
| Transworld Holding Limited | 0.17 | | | | |
| **Sale of non current trade investment (including profit on sale of investment)** | **-** | **21.20** | **-** | **-** | **-** |
| BSL Freight Solutions Private Limited | **-** | 21.20 | - | - | - |
| **Interest on delay in receipts of proceeds from sale of non current investments** | **-** | **0.77** | **-** | **-** | **-** |
| BSL Freight Solutions Private Limited | **-** | 0.77 | - | - | - |
| **Investment in subsidiary** | **-** | **3,589.01** | **-** | **-** | **-** |
| Avana Global FZCO | **-** | 3,589.01 | - | - | - |
| **Conversion of preference shares into equity shares** | **-** | **-** | **15.46** | **-** | **-** |
| SRS Freight Management Limited (earlier known as Haytrans (India) Limited) | **-** | - | 15.46 | - | - |

**Footnotes:**

a) Figures have been adjusted for exchange rate variations
b) Reimbursement of expenses/income incurred/earned by/to Group Companies are not included here.
c) Managerial remuneration excludes provision for gratuity and compensated absences since these are provided on the basis of actuarial valuation for the company as a whole.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIV**
**Restated Ind AS Standalone Statement of Related Party Transactions**

**c) Summary of balance receivable from / (payable to) the above related parties are as follows:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Other financial liabilities** | | | | | |
| Avana Global FZCO (earlier known as Balaji Shipping Lines FZCO) | (105.05) | - | - | - | - |
| **Trade payable** | | | | | |
| Shreyas Shipping & Logistics Limited | (796.56) | (381.01) | (367.80) | (252.89) | (156.63) |
| Avana Global FZCO (earlier known as Balaji Shipping Lines FZCO) | - | (1.69) | (0.03) | (1.89) | - |
| Transworld Feeders FZCO | (7.96) | (3.14) | (12.52) | (14.18) | (12.44) |
| Sivaswamy Holdings Private Limited | (2.74) | (0.03) | - | (0.14) | (0.19) |
| BSL Freight Solutions Private Limited | (2.35) | - | - | - | - |
| Transworld Shipping and Logistics Limited | (0.64) | (0.15) | (0.02) | (0.01) | (0.45) |
| Transworld Management Consultancy Private Limited | (0.13) | (0.03) | (0.03) | (0.02) | (0.01) |
| Transworld Shipping Agencies Private Limited | (0.07) | - | - | - | - |
| Relay Shipping Agency Limited | (0.05) | - | - | - | (0.04) |
| Albatross Shipping Limited | (0.01) | (0.01) | (0.01) | (0.10) | - |
| Orient Express Ship Management Limited | - | - | (0.01) | (0.21) | - |
| Orient Express Lines (Singapore) Pte Limited | - | - | (0.12) | (1.26) | (1.06) |
| Transworld Saudi Arabia | - | (0.02) | (1.34) | - | - |
| Clarion Shipping Private Limited | - | - | (5.02) | - | (7.53) |
| ADMEC Logistics Limited | - | - | - | - | (0.34) |
| Transworld GLS (I) Private Limited | - | - | - | (0.71) | - |
| Encore Pierian Logistics Business Services Limited | - | (2.82) | (3.38) | - | - |
| Transworld Shipping and Logistics LLC, Dubai | - | - | - | (8.87) | - |
| TLPL Shipping and Logsitics Private Limited | - | - | (1.72) | - | (0.12) |
| **Trade receivables** | | | | | |
| Avana Global FZCO (earlier known as Balaji Shipping Lines FZCO) | 3.29 | - | - | - | - |
| BSL Freight Solutions Private Limited | - | 0.04 | 0.13 | - | - |
| SRS Freight Management Limited | - | - | 21.24 | 18.29 | 38.79 |
| Transworld Shipping Trading and Logistics Services LLC,Oman | - | 0.21 | 5.40 | 6.21 | 0.15 |
| Transworld Saudi Arabia | - | - | - | 1.15 | - |
| Clarion Shipping Private Limited | - | 1.02 | - | 8.17 | - |
| Encore Pierian Logistics Business Services Limited | 0.08 | - | - | 2.06 | - |
| Transworld Shipping and Logistics LLC, Dubai | 0.30 | 32.21 | 33.64 | - | - |
| TLPL Shipping and Logsitics Private Limited | 3.87 | 7.37 | - | 2.42 | - |
| Relay Shipping Agency Limited | - | 0.01 | 0.00 | 0.12 | - |
| **Other curren financial assets** | | | | | |
| Transworld Holdings Limited | 1.44 | - | - | - | - |
| **Guarantees and collaterals released** | | | | | |
| Shreyas Shipping & Logistics Limited | - | 176.89 | 251.51 | 171.86 | 167.57 |

**Notes:**
a) Figures have been adjusted for exchange rate variations

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXV**
**Restated Ind AS Standalone Statement of Contingent Liabilities and Capital Commitments**

**Contingent liabilities and commitments:**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| **Claims against the Company not acknowledged as debt** | | | | | |
| Service tax matters | 437.25 | 386.32 | 144.18 | 88.67 | - |
| Custom duty matters@ | - | - | - | 20.60 | - |
| Sales tax matters@ | 0.44 | 0.44 | 0.44 | 0.44 | 0.44 |
| Customers relating to agency business (Refer note iii) | 247.71 | - | - | - | - |
| Others@ | - | - | - | 1.11 | 1.11 |
| **Total** | **685.40** | **386.76** | **144.62** | **110.82** | **1.55** |
| **Commitments** | | | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Refer note) | 3.45 | - | - | - | - |

@ disputed claims exluding subsequent interest/penalties.

**Notes:**

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:
(i) parties are yet to raise claims on account of damages to the cargo, and
(ii) there is uncertainty as to the outcome of pending appeals or motions or settlement proceedings;
The Company’s management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company’s financial position, though the outcomes could be material to the Company’s operating results for any particular period, depending, in part, upon the operating results for such year. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

(iii) Amount outstanding as at March 31, 2018 from customers of Avana Global FZCO (“BSL”) in respect of which the Company is obligated to pay BSL in the event of delinquencies under the agency arrangement.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXVI**
**Restated Standalone Statement of Capitalisation**

**(Rupees in million, unless otherwise stated)**

| Particulars | Pre-Issue as at March 31, 2018 |
|---|---|
| **Debt:** | |
| **Non-current borrowings** | |
| Non-current portion (A) | 65.62 |
| Current maturities (B) | 44.59 |
| **Total Non-current borrowings (C) = (A + B)** | **110.21** |
| Current borrowings **(D)** | 196.56 |
| **Total borrowings (E) = (C) + (D)** | **306.77** |
| **Shareholders Funds:** | |
| Equity share capital | **119.76** |
| Reserves and surplus, as restated: | |
| Securities premium | 3,556.91 |
| Capital redemption reserve | 100.00 |
| Retained earnings | 227.51 |
| **Total equity (F)** | **4,004.18** |
| | |
| **Non-current borrowings / Equity ratio (C / F)** | **0.03** |
| **Total borrowings/Equity ratio (E / F)** | **0.08** |

**Note:**

1) The corresponding Post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXVII**
**Restated Statement of Dividend Paid**

**(Rupees in million, unless otherwise stated)**

| Particulars | For the years ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| Number of equity shares outstanding | 1,19,76,050 | 1,19,76,050 | 35,00,000 | 35,00,000 | - |
| Dividend paid net of tax (Rs. In million) | 5.42 | | 3.50 | 2.45 | - |
| Rate of dividend (%) | 15%* | - | 10.00% | 7.00% | - |
| Tax on above dividend | 1.10 | - | 0.71 | 0.49 | - |
| Dividend per equity share | 1.50* | - | 1.00 | 0.70 | - |

** dividend on 84,76,050 shares was paid on pro-rata basis for shares issued during the year ended March 31, 2017. (refer annexure IV)*

**Notes:**

1) Dividend paid refers to dividend actually paid during the respective years

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXVIII**
**Restated Ind AS Standalone Statement of Tax Shelter**

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | | For the years ended | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
| A | **Restated profit before tax** | 295.41 | 92.88 | 4.80 | 100.19 | 29.08 |
| B | Statutory tax rate (%) | 34.61% | 33.06% | 33.06% | 33.99% | 32.45% |
| C | Tax at statutory rate | 102.24 | 30.71 | 1.59 | 34.05 | 9.44 |
| | **Adjustment for Permanent differences** | | | | | |
| 1 | Provision for interest on preference shares | 10.06 | 11.43 | 11.43 | 11.42 | 11.13 |
| | Interest on TDS and professional tax | 0.84 | 1.88 | 13.88 | 0.09 | - |
| | Others (net) | 3.90 | 2.45 | (2.09) | 4.71 | 9.62 |
| D | **Total Permanent differences** | **14.80** | **15.76** | **23.22** | **16.22** | **20.75** |
| | **Adjustment for Timing differences** | | | | | |
| 1 | Depreciation | (18.09) | (59.06) | (7.73) | (8.21) | (4.41) |
| 2 | Allowances for bad and doubtful debts and expected credit loss allowance | 2.37 | (6.08) | 7.20 | 6.50 | 1.72 |
| 3 | Provision for customary bonus | 4.10 | 3.93 | (14.09) | 12.42 | 3.48 |
| 4 | Allowance for claims receivable | - | (0.73) | (0.06) | 0.76 | - |
| 5 | Leave encashment and gratuity | 3.48 | (0.45) | 1.12 | 0.77 | 1.08 |
| 6 | Impact of IND AS Adjustments (Refer note a) | (26.79) | 5.96 | (0.58) | 8.53 | 2.01 |
| E | **Total Timing differences** | **(34.93)** | **(56.43)** | **(14.14)** | **20.77** | **3.88** |
| F | **Net Adjustment (D + E)** | **(20.13)** | **(40.67)** | **9.08** | **36.99** | **24.63** |
| G | Tax expenses / (savings) thereon **(F * B)** | (6.96) | (13.45) | 3.01 | 12.57 | 7.99 |
| H | Recogntion / (availment) of Movement in MAT Credit | (1.25) | 1.25 | - | (3.75) | (6.61) |
| H | **Current tax (C + G + H)** | **94.03** | **18.51** | **4.60** | **42.87** | **10.82** |
| I | **Adjustment of tax relating to earlier years** | 0.51 | 0.33 | (0.29) | 1.35 | 0.92 |
| J | **Deferred tax on timing differences (E*B)** | 12.09 | 18.66 | 4.67 | (7.06) | (1.26) |
| K | **Recognition / (reversal) of MAT Credit** | 1.25 | (1.25) | - | 3.75 | 6.61 |
| L | **Deferred tax charge / (credit) (J+K)** | 13.33 | 17.41 | 4.67 | (3.31) | 5.35 |
| M | **Total Tax Expenses (H+I+J)** | **107.87** | **36.25** | **8.98** | **40.91** | **17.09** |

**Notes:**
a) Ind AS adjustments includes effect of adopting percentage completion method for revenue recognition.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXIX**
**Restated Ind AS Standalone Statement of Accounting Ratios**

**(Rupees in million, unless otherwise stated)**

| Sr. No. | Particulars | Reference | | For the years ended | | | |
|---|---|---|---|---|---|---|---|
| | | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 (Proforma)** | **March 31, 2015 (Proforma)** | **March 31, 2014 (Proforma)** |
| 1 | Restated profit after tax (` in million) | A | 187.54 | 56.63 | (4.18) | 59.28 | 11.99 |
| 2 | Less: Preference dividend for the year including tax thereon (` in million) | B | - | - | - | - | - |
| 3 | Net profit available to equity shareholders (` in million) | C = A + B | 187.54 | 56.63 | (4.18) | 59.28 | 11.99 |
| 4 | Number of equity shares outstanding at the beginning of the year | D | 1,19,76,050 | 35,00,000 | 35,00,000 | 35,00,000 | 35,00,000 |
| 5 | Number of equity shares issued during the year | E | - | 84,76,050 | - | - | - |
| 6 | Number of equity shares outstanding at the end of the year | | 1,19,76,050 | 1,19,76,050 | 35,00,000 | 35,00,000 | 35,00,000 |
| 7 | Number of equity shares outstanding at the end of the year adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018 | F | 3,59,28,150 | 3,59,28,150 | 1,05,00,000 | 1,05,00,000 | 1,05,00,000 |
| 8 | Weighted average number of equity shares outstanding during the year | | 1,19,76,050 | 36,16,110 | 35,00,000 | 35,00,000 | 35,00,000 |
| 9 | Adjustment pursuant to sub division of equity shares subsequent to the balance sheet date | | 1,19,76,050 | 36,16,110 | 35,00,000 | 35,00,000 | 35,00,000 |
| 10 | Adjustment pursuant to aproval of issue of bonus shares subsequent to the balance sheet date | | 1,19,76,050 | 36,16,110 | 35,00,000 | 35,00,000 | 35,00,000 |
| 11 | Weighted average number of equity shares outstanding during the year (adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018) considered for calculating basic earnings per share | G | 3,59,28,150 | 1,08,48,330 | 1,05,00,000 | 1,05,00,000 | 1,05,00,000 |
| 12 | Weighted average number of equity shares outstanding during the year (adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018) considered for calculating diluted earnings per share | H | 3,59,28,150 | 1,08,48,330 | 1,05,00,000 | 1,05,00,000 | 1,05,00,000 |
| 13 | Restated net worth (refer note f below) (` in million) | I | 4,004.18 | 3,827.81 | 187.48 | 197.02 | 141.11 |
| 14 | **Accounting ratios:** | | | | | | |
| | Basic earnings per share (`) | C / G | 5.22 | 5.22 | (0.40) | 5.65 | 1.14 |
| | Diluted earnings per share | C / H | 5.22 | 5.22 | (0.40) | 5.65 | 1.14 |
| | Return on net worth (%) | A / I | 4.68% | 1.48% | (2.23%) | 30.09% | 8.49% |
| | Net asset value per share (`) | I / F | 111.45 | 106.54 | 17.85 | 18.76 | 13.44 |

**Notes:**

The above ratios have been computed on the basis of the Restated Summary Statements - Annexure I & Annexure II.

The ratios have been computed as below:

a) Basic Earnings per share (Rupees) = Restated net profit available to equity shareholders / Weighted average number of equity shares outstanding during the year (adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018) considered for calculating basic earnings per share

b) Return on net worth (%) = Restated profit after tax / Restated net worth at the end of the year

c) Net asset value per share (Rupees) = Restated net worth at the end of the year / Number of equity shares outstanding at the end of the year adjusted for approved bonus and sub-division of shares after the year ended March 31, 2018

d) Restated Net Worth = Paid up share capital + Shares pending issuance + Reserves and surplus (Securities premium account + Capital redemption reserve + Retained earnings).

e) Earnings per share calculations are in accordance with Ind AS 33 - Earnings per share, notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. As per Ind AS 33, in case of bonus shares and share split,the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

f) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number

g) Subsequent to March 31, 2018, and before the date of approval of these Restated Financial Information on April 30, 2018, the Company split the equity share having face value of Rs.10 per share into 2 equity shares with a face value of Rs. 5 per equity share. Further, Company issued 1 bonus share for every two shares held, to the existing shareholders by way of capitalization of Securities Premium Account which has been approved at the Extraordinary General Meeting held by the Company on April 30, 2018. For the purpose of EPS, the per share calculation for all the periods covered here are based on the new number of shares after giving impact for split and issuance of bonus shares respectively as required by the provision of Ind AS 33.

**1. Employee benefits**

**a) Defined contribution plan**

Eligible employees of the Group receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Group make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Group has no further obligation beyond making its contribution. The Group's monthly contributions are charged to Restated Ind AS Standalone Statement of Profit and Loss in the period in which they are incurred;

(Rupees in million, unless otherwise stated)

| | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 | Year ended 31 March 2015 | Year ended 31 March 2014 |
|---|---|---|---|---|---|
| Employer's contribution to provident fund | 8.16 | 3.75 | 4.80 | 4.41 | 4.94 |

**b) Defined benefit plan**

In accordance with Indian Law or based on Gratuity Scheme, the Company provides for the 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. Vesting occurs upon completion of 5 continuous years of service under The Payment of Gratuity Act. These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate,it will create a plan deficit. Currently the plan assets are managed by Life Insurance Corporation of India as part of their Group Gratuity Scheme. |
| Interest risk | A decrease in the government bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

Accumulated leave may be availed by an employee during the period of his service and may be encashed on seperation (i.e. due to death, retirement, superannuation or resignation).
Compensated absences which are not expected to be encashed or availed within twelve months of the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2017 by Mr. Arpan N. Thanawala, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service costs and past service cost, are measured using the projected unit credit method.

**i) Gratuity (funded)**

The following table summarizes the components of net benefit expense recognized in the Restated Ind AS Standalone Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the gratuity plans of the Company.

Amounts recognised in Restated Ind AS Standalone Statement of Profit and Loss in respect of these defined benefits plans are as follows

(Rupees in million, unless otherwise stated)

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| **Service cost** | | | | | |
| Current service cost | 1.25 | 1.21 | 1.02 | 0.92 | 1.03 |
| Interest on net defined benefit liability/(assets) | 0.03 | 0.21 | 0.04 | (0.09) | (0.02) |
| **Total** | **1.28** | **1.42** | **1.06** | **0.83** | **1.01** |
| Remeasurement of the net defined benefit liability due to: | | | | | |
| Actual return on plan assets less interest on plan assets | (0.09) | (0.29) | (0.01) | 0.05 | (0.06) |
| Actuarial (gain)/loss on defined benefit obligation | 4.11 | 0.26 | 1.73 | 0.60 | (0.31) |
| **Closing amount recogised in OCI outside Profit and loss** | **4.02** | **(0.03)** | **1.72** | **0.65** | **(0.37)** |

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the Restated Ind AS Standalone Statement of Profit and Loss.

The remeasurement of the net defined liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(Rupees in million, unless otherwise stated)

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Present value of funded defined benefit obligation | 24.56 | 13.47 | 11.17 | 8.33 | 6.97 |
| Fair value of plan assets | 19.50 | 11.99 | 7.14 | 6.87 | 6.98 |
| **Net liability / (asset) arising from defined benefit obligation** | **5.06** | **1.48** | **4.03** | **1.46** | **(0.01)** |

**1. Employee beneift (continued)**

**(Rupees in million, unless otherwise stated)**

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Opening defined benefit obligations | 13.47 | 11.17 | 8.33 | 6.97 | 6.39 |
| Current service cost | 1.25 | 1.21 | 1.02 | 0.92 | 1.03 |
| Interest Cost | 0.66 | 0.62 | 0.58 | 0.54 | 0.47 |
| Actuarial (Gains)/losses arising from changes in financial assumptions | (0.39) | 0.26 | 0.16 | 0.22 | (0.78) |
| Benefits paid | (1.43) | (0.42) | (0.49) | (0.19) | (0.61) |
| Liabilities assumed / (settled) | 6.50 | 0.63 | - | (0.51) | - |
| Experience adjustment | 4.50 | - | 1.57 | 0.38 | 0.47 |
| **Closing defined benefit obligation** | **24.56** | **13.47** | **11.17** | **8.33** | **6.97** |

**Movements in the fair value of the plan assets are as follows:** **(Rupees in million, unless otherwise stated)**

| Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 | Year ended 31 March 2016 (Proforma) | Year ended 31 March 2015 (Proforma) | Year ended 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Opening fair value of plan assets | 11.99 | 7.14 | 6.87 | 6.98 | 6.12 |
| Contribution from the employer | 1.72 | 3.94 | 0.21 | - | 0.92 |
| Interest income | 0.63 | 0.41 | 0.54 | 0.63 | 0.49 |
| Actual return on plan assets less interest on plan assets | 0.09 | 0.29 | 0.01 | (0.05) | 0.06 |
| Benefits paid | (1.43) | (0.42) | (0.49) | (0.19) | (0.61) |
| Assets acquired / (settled)* | 6.50 | 0.63 | - | (0.50) | - |
| **Closing fair value of plan assets** | **19.50** | **11.99** | **7.14** | **6.87** | **6.98** |

The fair value of the plan assets at the end of the reporting period for each category , are as follows:

**(Rupees in million, unless otherwise stated)**

| Particulars | Fair value of plan assets as at | | | | |
|---|---|---|---|---|---|
| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
| Insurer manager funds (managed by Life Insurance Corporation of India) | 17.29 | 9.78 | 7.14 | 6.87 | 6.98 |
| Cash and cash equivalents | 2.21 | 2.21 | - | - | - |
| | **19.50** | **11.99** | **7.14** | **6.87** | **6.98** |

The principal assumptions used for the purpose of the actuarial valuation were as follows:

| Particulars | Valuation as at | | | | |
|---|---|---|---|---|---|
| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-16 (Proforma) | As at 31-Mar-15 (Proforma) | As at 31-Mar-14 (Proforma) |
| Discount Rate | 7.15% | 6.65% | 7.45% | 7.95% | 8.80% |
| Salary escalation rate | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-todate mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.
The Company expects to contribute ` 2 million (for the year ended 31st Mar 2017: ` 2 million) to its gratuity plan for the next year.
Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably

**(Rupees in million, unless otherwise stated)**

| | Discount Rate (-/+ 50 bps) | | Salary escalation rate (-/+ 50 bps) | |
|---|---|---|---|---|
| **Particulars** | **Increase** | **Decrease** | **Increase** | **Decrease** |
| **March 31, 2018** | (1.53) | 1.59 | 1.61 | (1.57) |
| **March 31, 2017** | (0.18) | 0.18 | 0.18 | (0.18) |
| **March 31, 2016 (Proforma)** | (0.16) | 0.16 | 0.17 | (0.16) |
| **March 31, 2015 (Proforma)** | (0.13) | 0.15 | 0.15 | (0.13) |
| **March 31, 2014 (Proforma)** | (0.11) | 0.14 | 0.14 | (0.11) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another
In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**2. Operating Segment**
Post the acquisition of Avana Global FZCO, the Company has restructured its business such that all international operations of the Company and its subsidiaries (the "Group") are carried out through Avana Global FZCO and its subsidiaries.

The information relating to operating segments has been provided in the conoldiated financial statements of the Group as the Chief Operating Decision Maker (comprises of a committee of Managing Director and Joint Managing Director) review segment information of the Group to make decisions about resources to be allocated to each segment and access their performance post the re-organisation.

**Revenue from operations:** **(Rupees in million, unless otherwise stated)**

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|
| Within India | 6,536.09 | 4,565.34 | 3,444.80 | 3,005.48 | 2,538.58 |
| Outside India | 148.41 | 958.72 | 824.75 | 714.46 | 543.67 |
| | **6,684.50** | **5,524.06** | **4,269.55** | **3,719.94** | **3,082.25** |

**Non-current assets:**
All non-current assets other than financial instruments , deferred tax assets of the Company are located in India.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**
**Annexure XXXI**
**Notes to Restated Ind AS Standalone Statements**

**Financial Instruments**

**Capital management**

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and maintain an optimal capital structure to reduce the cost of capital. The Company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity. The Company is not subject to any externally imposed capital requirements.

**Gearing ratio**

The gearing ratio at end of the reporting period was as follows:

**(Rupees in million, unless otherwise stated)**

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Long term borrowings | 65.62 | 110.18 | 129.11 | 9.36 | 31.59 |
| Current maturities of long term debts | 44.59 | 41.57 | 38.73 | 9.31 | 31.52 |
| Short term borrowings | 196.56 | 276.89 | 351.51 | 271.86 | 267.57 |
| Less: Cash and cash equivalents | (5.80) | (12.30) | (4.09) | (22.36) | (12.98) |
| Less: Bank balances other than cash and cash equivalents | (118.95) | (12.01) | (9.53) | (43.21) | (23.66) |
| **Debt (net)** | **182.02** | **404.33** | **505.73** | **224.96** | **294.04** |
| **Total Equity** | **4,004.18** | **3,827.80** | **187.48** | **197.03** | **141.14** |
| **Net debt to equity ratio** | **0.05** | **0.11** | **2.70** | **1.14** | **2.08** |

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's financial assets and financial liabilities.

**Quantitative disclosures fair value measurement hierarchy :**

**(Rupees in million, unless otherwise stated)**

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| | | | at fair value | | |
| **Financial assets** | | | | | |
| **Financial assets at amortised cost** | | | | | |
| Trade receivables | 1,355.85 | 882.97 | 865.07 | 526.02 | 372.03 |
| Cash and cash equivalents | 5.80 | 12.30 | 4.09 | 22.36 | 12.98 |
| Bank balances other than cash and cash equivalents | 118.95 | 12.01 | 9.53 | 43.21 | 23.66 |
| Other financial assets | 27.92 | 58.67 | 54.24 | 32.91 | 66.36 |
| | **1,508.52** | **965.95** | **932.93** | **624.50** | **475.03** |
| **Financial assets at fair value through P&L** | | | | | |
| Investment in preference shares | - | - | - | 12.80 | 12.80 |
| | **-** | **-** | **-** | **12.80** | **12.80** |
| | **1,508.52** | **965.95** | **932.93** | **637.30** | **487.83** |

**(Rupees in million, unless otherwise stated)**

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| **Financial Liabilities** | | | | | |
| **Financial liabilities at amortised cost** | | | | | |
| Borrowings (including current maturities of borrowings)* | 307.43 | 429.81 | 519.47 | 290.54 | 330.68 |
| Trade payables | 1,139.97 | 714.03 | 589.31 | 330.95 | 251.53 |
| Other financial liabilities (excludes current maturities) | 105.05 | 9.50 | 9.50 | 9.50 | 9.50 |
| | **1,552.45** | **1,153.34** | **1,118.28** | **630.99** | **591.71** |

* Valuation technique: future cash flows discounted at a rate that reflects market risks.

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

**Financial risk management objectives and policies**

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's Management also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

**Market risk – Interest rates**

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are price risk, foreign currency exchange risk and interest rate risk.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from cash and cash equivalents, deposits with banks and receivables. For managing credit risk, management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

For banks, the credit risk is limited as high rated banks are considered for placement of deposits.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single customer. Concentration of credit risk to any single customer did not exceed 10% of total debtors as on each reporting date except in case of one debtor in FY 2013 - 14 valuing Rs. 51.76 million (13.59%)

**Interest rate risk management**

The Company is exposed to interest rate risk because it has borrowed funds at floating interest rates. The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**Interest rate sensitivity analysis**

If the interest rates had been 50 basis points higher / lower and all the other variables were held constant, the Company's profit would be impacted by :

**(Rupees in million, unless otherwise stated)**

| Particulars | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| | 0.99 | 1.01 | 0.85 | 0.91 | 0.82 |

**Financial Instruments**

**Price risk**

Most of the Company's equity investments are held for strategic rather than trading purposes. The Company is not having any investments in quoted equity instruments, hence is not exposed to any equity related price risk.

**Foreign currency risk management**

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Rupees in million, unless otherwise stated)

| Particulars | Net Foreign Currency Exposure | | | | |
|---|---|---|---|---|---|
| | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
| **USD** | | | | | |
| Receivables | - | 51.94 | 87.71 | 67.20 | 4.99 |
| Payables | 1.07 | 1.86 | 32.99 | 40.75 | 12.94 |
| Finance Lease Obligations | 61.76 | 85.24 | 108.61 | - | - |
| **Net Foreign Currency Exposure** | **62.83** | **35.16** | **53.89** | **(26.45)** | **7.95** |

**Foreign currency sensitivity analysis**

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables. As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(Rupees in million, unless otherwise stated)

| **USD sensitivity at year end** | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | March 31, 2015 (Proforma) | March 31, 2014 (Proforma) |
|---|---|---|---|---|---|
| Effect on net exposure | | | | | |
| Weakening of INR by 5% | (3.14) | (1.76) | (2.69) | 1.32 | (0.40) |
| Strengthening of INR by 5% | 3.14 | 1.76 | 2.69 | (1.32) | 0.40 |

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**Liquidity risk**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

**Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rupees in million, unless otherwise stated)

| | Carrying Amount | Less than 1 Year | 1-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **31 March 2018** | | | | | |
| Borrowings (including finance lease obligation) | 306.77 | 247.38 | 69.15 | - | 316.53 |
| Trade payables | 1,139.97 | 1,139.97 | - | - | 1,139.97 |
| Other financial liabilities (other than current maturities of long-term debts) | 105.05 | 105.05 | - | - | 105.05 |
| | **1,551.79** | **1,492.40** | **69.15** | **-** | **1,561.55** |
| **31 March 2017** | | | | | |
| Borrowings (including finance lease obligation) | 428.64 | 337.18 | 185.66 | - | 522.84 |
| Trade payables | 714.03 | 714.03 | - | - | 714.03 |
| Other financial liabilities (other than current maturities of long-term debts) | 9.50 | 9.50 | - | - | 9.50 |
| | **1,152.17** | **1,060.71** | **185.66** | **-** | **1,246.37** |
| **31 March 2016 (Proforma)** | | | | | |
| Borrowings (including finance lease obligation) | 519.35 | 411.45 | 237.26 | - | 648.71 |
| Trade payables | 589.31 | 589.31 | - | - | 589.31 |
| Other financial liabilities (other than current maturities of long-term debts) | 9.50 | 9.50 | - | - | 9.50 |
| | **1,118.16** | **1,010.26** | **237.26** | **-** | **1,247.52** |
| **31 March 2015 (Proforma)** | | | | | |
| Borrowings | 290.54 | 280.90 | 4.48 | - | 285.38 |
| Trade payables | 330.95 | 330.95 | - | - | 330.95 |
| Other financial liabilities (other than current maturities of long-term debts) | 9.50 | 9.50 | - | - | 9.50 |
| | **630.99** | **621.35** | **4.48** | **-** | **625.83** |
| **31 March 2014 (Proforma)** | | | | | |
| Borrowings | 330.68 | 304.21 | 42.04 | - | 346.25 |
| Trade payables | 251.53 | 251.53 | - | - | 251.53 |
| Other financial liabilities (other than current maturities of long-term debts) | 9.50 | 9.50 | - | - | 9.50 |
| | **591.71** | **565.24** | **42.04** | **-** | **607.28** |

**Financing facilities**

(Rupees in million, unless otherwise stated)

| **Particulars** | As at 31 March 2018 | As at 31 March 2017 | As at 31 March 2016 (Proforma) | As at 31 March 2015 (Proforma) | As at 31 March 2014 (Proforma) |
|---|---|---|---|---|---|
| Secured bank overdraft facility : | | | | | |
| -amount used | 196.56 | 176.89 | 251.51 | 171.86 | 167.57 |
| -amount unused | 123.44 | 143.11 | 68.49 | 35.64 | 39.93 |

Included in "Other current liabilities" are "Unfinished voyage income" and "Advances from customers" of Rs 61.57 million and Rs 3.08 million respectively. Obligations in respect of these liabilities are expected to be discharged through rendering of services (and not through cash payouts) expected to yield a cash margin of not less than Rs 9.77 million. Also, "Provisions" which have been classified as a part of "Current Liabilities" includes "Provision for compensated expenses" Rs 12.87 million which in turn includes Rs 7.82 million not expected to be paid out in the following 12 months. After adjustments are made for these elements and having regard to the expected cash flows from operations, Management does not anticipate any insufficiency of liquid assets required to discharge the Company's obligations in respect of current liabilities as at March 31, 2018 in the foreseeable future.

**Avana Logistek Limited**
**(Formerly known as Shreyas Relay Systems Limited)**

**Notes to Restated Ind AS Standalone Statements**
**Annexure XXXII**
**Subsequent events**

As per the shareholders' approval accorded in the Extra-ordinary General Meeting held on 30th April, 2018, the Company in the subsequent period has,
(i) Sub-divided the 1,50,00,000 fully paid up equity shares of the face value of Rs. 10 each into 3,00,00,000 fully paid equity shares of the face value of Rs. 5 each.
(ii) Decided to issue new bonus equity share of Rs.5 each for every two existing fully paid-up equity shares of Rs. 5 each to the holders of the equity shares of the Company; and
(iii) Introduced and implemented the Avana Logistek Limited Employee Stock Option Plan 2018 (ESOP 2018) to grant Options exercisable into not more than 6,00,000 equity shares of the Company of the face value of Rs. 5 each but is yet to grant the options under the plan.

**For and on behalf of the Board of**
**Avana Logistek Limited**

**S Ramakrishnan**
Chairman
(DIN: 00057637)

**S Varadarajan**
Managing Director
(DIN: 07850694)

**Namrata Malushte**
Company Secretary
M No.17217
Mumbai,
6th June 2018

**Sanjay Bohra**
Chief Financial Officer

## FINANCIAL INDEBTEDNESS

As on June 12, 2018, the outstanding amount under the borrowings of our Company and Subsidiaries was ₹ 843.79 million and ₹ 392.45 million, respectively.

Details of the aggregate borrowings of our Company and Subsidiaries are set forth below:

| Category of borrowing | Sanctioned amount (in ₹ million) | Outstanding amount as on June 12, 2018 (in ₹ million) |
|---|---|---|
| **Company** | | |
| **Term loans** | | |
| *From banks* | 576.15 | 533.30 |
| *From institutions and agencies* | 128.59 | 61.78 |
| **Working Capital** | | |
| *From banks* | 470.00 | 248.71 |
| **Total (A)** | **1,174.74** | **843.79** |
| **Subsidiaries** | | |
| **Term loans** | | |
| *From banks* | 367.87 | 36.78 |
| *From institutions and agencies* | 796.35 | 346.15 |
| **Working Capital** | | |
| *From banks* | 30.02 | 9.52 |
| **Total (B)** | **1,194.24** | **392.45** |
| **Total (A+B)** | **2,368.98** | **1,236.24** |

For further details in relation to financial indebtedness of our Company and Subsidiaries, see "*Financial Statements*" beginning on page 201.

**Principal terms of the borrowings availed by our Company and Subsidiaries**

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and Subsidiaries.

1. *Interest:*

   In terms of the term loan facilities availed by us, the interest rate is decided by the lenders and mutually agreed by our Company and Subsidiaries. The interest rate for our Company typically ranges from 9.85% to 10.55%.

2. *Tenor:*

   The tenor of the term loan facilities availed by our Company is typically 5 years.

3. *Security:*

   In terms of borrowings of our Company, where security needs to be created, we are typically required to create charge by way of hypothecation against assets.

4. *Repayment:*

   The repayment period of term loan facilities typically is on a monthly basis. In the event of a pre-payment, our Company and Subsidiaries may be subjected to certain pre-payment penalties as levied by our lenders, which is typically 4% of the prepayment amount for our Company.

5. *Covenants:*

   The covenants under our borrowings include:

   a) giving notice in writing to the lessor in the event of loss of the leased container;

   b) obtaining prior consent from the lender in relation to change in shareholding pattern;

   c) obtaining prior consent to diversify into non-core areas other than current business;

   d) not making any material alterations in the hypothecated asset;

e) obtaining and effecting all authorizations, approvals, consents, insurances, licenses, permissions and renewals required in laws of India in relation to the borrowings; and

f) informing the lender in case of change of name of our Company.

6. *Events of default:*

The events of default under our borrowings include:

a) failure to pay amounts on the due date;

b) failure to perform any obligation or committing any breach of any of the terms, representations, warranties, covenants and conditions of the agreement or making any misrepresentations;

c) failure to pay insurance premium for the hypothecated asset or a cheque bounce in this regard;

d) any circumstances which is likely to prejudice or endanger the hypothecated asset;

e) failure of furnishing any information as required;

f) an event of cross default, i.e., when our Company commits any default under any agreement entered into by it with the lender or the lender's group;

g) an event of misuse of the loan;

h) suspension or cessation of business; and

i) if steps are taken or legal proceedings initiated for winding up, dissolution or re-organisation against our Company.

The above is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

7. *Consequences of occurrence of events of default:*

The consequences of occurrence of events of default under our borrowings include the right of the lender to:

a) call upon our Company to pay all dues in respect of the loan;

b) take possession of the hypothecated asset in accordance with the procedure as specified in the agreement; and

c) engage one or more persons to collect dues and/or to enforce security.

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

*Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus. While we have historically prepared our financial statements in accordance with Indian GAAP, including our consolidated financial statements as of and for the Fiscals ended March 31, 2016, 2015 and 2014, we have transitioned to prepare and audit our financial statements in accordance with Indian Accounting Standards ("**Ind-AS**") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and this section includes a discussion of financial results for Fiscal ended March 31, 2018 and March 31, 2017 which were prepared under Ind-AS. For the purposes of transition to Ind-AS, we have followed the guidance prescribed in "Ind AS 101 - First Time adoption of Indian Accounting Standard". The Restated Consolidated Financial Statements, prepared and presented in accordance with Ind AS or Indian GAAP, as applicable, in each case have been restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2016)" issued by the ICAI.*

*Indian GAAP differs in certain material respects from U.S. GAAP and IFRS and other accounting principles with which prospective investors may be familiar. Indian GAAP also differs in certain material respects from the Ind-AS which is applicable to our Company with effect from April 1, 2016, in accordance with certain guidelines stipulated by the Ministry of Corporate Affairs and Government of India. See Risk Factors "Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition" on page 34. We have not attempted to quantify the impact of Ind-AS, IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of Ind-AS, IFRS and U.S. GAAP. Accordingly, the degree to which the Ind-AS financial information 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.*

*This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in "Risk Factors" and "Forward Looking Statements" beginning on pages 15 and 14, respectively.*

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the CRISIL Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant financial year. Unless stated otherwise, all financial information included in this section is derived from the Restated Consolidated Financial Statements.*

### Overview

We are a leading integrated logistics solutions provider, offering customized and end-to-end solutions to domestic and international markets. We offer a broad spectrum of strategic and operational logistics support services to domestic and international geographical markets through our seamless, energy efficient and "environment friendly" logistics solutions. Our technology-enabled, "asset-light" business model allows scalability to our services as well as our robust streamlined business and operational processes enable us to offer efficient and customized logistics solutions to our customers.

According to the CRISIL Report, we are a leading logistics solutions company with operations across India and various international markets. We are the leading providers of regional liner services between India and the Middle East and the largest domestic coastal logistics solutions provider with a market share of approximately 52%, according to the CRISIL Report.

We have structured our primary business into two business divisions comprising domestic and international logistics solutions. Our domestic solutions primarily comprises of coastal container service and road and rail transportation. Our international solutions comprises international liner services consisting of refrigerated and dry cargo movements between Indian sub-continent, Middle East, South-East Asia and Far-East along with freight forwarding and liner agency services.

Our connectivity between the eastern coast and western coast of India ensures integrated coverage which our customers can utilize to manage cost, time and productivity efficiencies. We offer smarter logistics support to remote areas for the movement of ISO tanks, reefer boxes and project cargo within India through road and costal movement. We believe that our end-to-end solutions offering also offers cost advantages for our customers. We use specialized type of container seals for specific cargos which ensures higher security locking for containers. Further, we have a dedicated team of people with relevant industry experience ensuring close monitoring and safety of our cargos. We have specialized car racks which can be used to carry automobiles in containers. We have also started providing warehousing and distribution services and cold chain (temperature controlled warehousing and transportation services).

During Fiscal 2018, we have provided services to over 8,000 customers in our domestic business division and over 15,000 customers in our international business division. Certain of our key customers include The Ramco Cements Limited, NITCO Limited, Grasim Industries Limited, JSW Steel Coated Products Limited, Star Bentonite Exports, Century Plyboards (I)

Limited, KAG India Private Limited, EICL Limited, Arvind Ceramics Private Limited, Petrochem Middle East, Tilda International DMCC, Saint-Gobain India Private Limited, Pushpak Logistics Solutions LLP, Al Danube, JK White Cement Works (Unit of J.K. Cement Limited), Ultra Tech Cement Limited (Unit Birla White), Landmark Group and Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.P.J.S.C.

Our logistics business serves a broad range of industries, including construction material, agricultural products, hazardous and non-hazardous chemicals, food products and beverages, machinery and equipment, minerals, electronics, pharmaceutical, petro chemical products, automobiles and fertilizers.

As of March 31, 2018, we have a fleet of 42,068 TEUs which includes various types of 20Ft and 40Ft containers including dry, high cube dry, open-top, flat rack, foldable, ISO tank and refrigerated containers, on ownership and lease basis. Our domestic and international logistics division handled 121,350 and 139,427 TEUs respectively during Fiscal 2018, 90,713 and 103,365 TEUs respectively during Fiscal 2017 and 63,318 and 98,425 TEUs during Fiscal 2016. We believe a wide variety of containers helps serve diverse need of our customers.

We have an asset light business model and we have long standing relationships with a large number of international and domestic leasing companies business partners such as Seaco Global Limited, Tristar Container Services (Asia) Private Limited, CAI International, Inc and Subsidiaries, VS&B Domestic Container Solutions Private Limited, who provide us operating assets, including deployment of containers.

Avana Logistek pioneered the business of coastal container service by commencing operations in 2005. Subsequently, Avana Logistek engaged in domestic first mile and last mile solutions and road transportation in 2008. To meet its customers' expanding domestic and international logistics needs, Avana Logistek expanded its geographical reach in 2017 by acquiring, Balaji Shipping Lines FZCO (now known as Avana Global FZCO) from Transworld Holdings, our Promoter. With this acquisition, Avana Logistek is able to leverage over three decades of operational expertise of providing international liner services across Middle East and the Indian sub-continent. Avana Global was predominantly serving in the Middle East and West coast of India but post-acquisition the company now also has significant access to key Southern and Eastern coast ports of India and has expanded its reach to South-East Asia and Far-East.

We believe that the acquisition of Avana Global has played a significant role in the growth and expansion of our operations, customer base, business synergy, network expansion and establishing our presence in the Middle East, Arabian Gulf. Pursuant to the acquisition of Avana Global, we now have access to and operate 22 offices, including in the Middle East, which was earlier reliant on third party agents. We believe that the acquisition of Avana Global has also allowed us to provide freight forwarding and liner agency services, ensuring necessary competitive advantage to provide seamless and integrated logistics solutions for our customers.

Avana Logistek has also recently started providing (i) warehousing & distribution services and (ii) cold chain (temperature controlled warehousing and transportation) services. We believe that this has enabled us to enhance our service proposition for existing customers, including due to our expertise in handling reefer cargos in the Gulf Co-operation Council ("**GCC**") and India and ability to garner new customers. We have also developed a process for customer journey mapping which involves a mechanism where customers' feedback is recorded and analysed through business intelligence. These processes along with documentation and operational procedures will make our business more efficient and will help in making it a satisfactory experience for our customers using tools such as customer portals.

We are part of Transworld group, a diversified logistics and shipping conglomerate, founded in 1977 by R. Sivaswamy and headquartered in Dubai, UAE. The Transworld group has a fleet of owned and chartered vessels having presence in emerging markets, including in the port of Jebel Ali, which is the largest port, in terms of container port traffic, for the GCC region and offers a host of diverse services covering various facets of logistics and shipping, including ship owning (containers and bulk), feedering, international liner, coastal shipping, cold chain, warehousing and distribution, freight forwarding, shipping agency and break bulk.

We have presence in India and international markets with 22 offices and established network in 20 countries. We have a widespread transportation network across 19 states and five union territories in India and serve over 1,500 pin codes as at March 31, 2018. As of March 31, 2018, we have 13 branches across India.

We have received various industry accolades, awards and recognition over the years, including India Seatrade Award in the 'Container Operator of the Year' category for Fiscals 2014, 2015, 2016 and 2017, Gujarat Star Award 'Best End to End Complete Logistics Solution Provider of the Year' in Fiscals 2013, 2014 and 2015.

For Fiscals 2018, 2017 and 2016, our consolidated total income was ₹ 14,064.87 million, ₹ 10,325.76 million and ₹ 9,334.11 million, respectively and consolidated profit after tax for Fiscals 2018, 2017 and 2016 was ₹ 507.19 million, ₹ 141.80 million and ₹ 98.80 million, respectively. Our consolidated revenue from operations increased to ₹ 13,990.51 million from ₹ 10,243.48 million from ₹ 9,284.88 million in Fiscal 2018, 2017 and 2016, respectively at a CAGR of 14.64% from Fiscal 2016 to Fiscal 2018. Our consolidated EBIDTA for Fiscal 2018, 2017 and 2016 was ₹ 790.39 million, ₹ 488.37 million and ₹ 410.83 million, respectively. Our consolidated profit after tax for Fiscals 2018, 2017 and 2016 is ₹ 507.19 million, ₹ 141.80 million and ₹ 98.80 million, respectively.

**Significant Factors Affecting Our Results of Operations and Financial Condition**

The results of our operations and our financial condition are affected by numerous factors and uncertainties, many of which may be beyond our control, including as discussed in "*Business"* and "*Risk Factors*" beginning on pages 142 and 15. The following is a discussion of certain factors that we believe have had and will continue to have or expected to have a significant effect on our financial condition and results of operations:

***Economic conditions in India***

Our results of operations are dependent on the overall economic conditions. Any slowdown in the economy including due to global factors or changes in interest rates, government policies or taxation, social or civil unrest and political, economic or other developments, could adversely affect our business and results of operations. In the event economic conditions have a positive effect on international trade and benefit the industries of our customers and third party suppliers, it would have a favourable impact on our results of operations. Any adverse economic developments in geographies where we operate or provide our services, especially in our key markets of India, South East Asia, Far East, and Middle East, as a result of a global economic slowdown or otherwise, could lead to a general decline in domestic consumption and a slowdown in international trade, which could have a significant impact on our businesses. In the recent past, there have been government initiatives to focus on coastal transportation to reduce pressure on roads and rails by way of reduction on handling charges of approximately 40% on major ports

Our success depends to a significant extent on consumer confidence and spending on products in the sectors that we service as well as the overall performance of our customers, which is influenced by general economic conditions, general levels of consumption, consumer preferences and discretionary income levels. Many factors affect the level of consumption, consumer confidence and spending and our customers' performance, including recession, inflation, deflation, political uncertainty, availability of consumer credit, taxation and unemployment.

***Increase in volume and market size***

Our market size has increased due to increase in volumes in the last three Fiscals. As of March 31, 2018, we have a fleet of 42,068 TEUs which includes various types of containers including 20Ft and 40Ft dry, high cube dry, open-top, flat rack, foldable, ISO tank and refrigerated containers, on ownership and lease basis. Our domestic and international logistics division handled 109,949 and 139,427 TEUs respectively during Fiscal 2018, 90,733 and 103,365 TEUs respectively during Fiscal 2017 and 63,318 and 98,425 TEUs during Fiscal 2016.

Our business is affected by our operational costs to the extent that in case the costs of our operations increases, there might be an effect on our profitability. The most significant operational expenses incurred in our business is freight and other operating expenses, which accounted for 87.56%, 88.09% and 87.77% of our total income for Fiscals 2018, 2017 and 2016, respectively. Our other operating expenses include expenditure incurred on paying container lease rent, container handling and storage charges, agency fees and brokerage, container/ cargo insurance and other expenses.

We continually aim to optimise operational costs, and generally address any increases in operational costs, however, increased operational costs in our business may lead to reduced profitability and may adversely affect our business and results of operations.

***Effects on implementation of GST regime***

The GST regime has been implemented to replace multiple taxes with a comprehensive indirect tax on the manufacture, sale and consumption of goods and services at a national level and stipulates uniform tax on logistics services. The GST regime is expected to significantly change the Indian logistics industry and the manner in which it conducts business. The GST regime is expected to benefit the inter-state movement of goods. Businesses across several industries in India are expected to make their storage and transportation decisions on the basis of logistical efficiencies instead of their tax efficiency, which is likely to result in significant business opportunities for large, integrated logistics solutions providers who could gain larger volumes and nationwide contracts from clients. Furthermore, efficiencies achieved through the use of organized logistics partners will lead to freight cost optimisation and timely delivery of goods.

The CRISIL Report estimates the ambient warehousing industry to grow at 6-8% CAGR in square feet terms from Fiscals 2018 to 2021. The industrial segment, which accounts for nearly two-thirds of the industry (agricultural warehousing comprising the remainder), would drive growth. Consolidation of warehouses and network logistics are expected according to the CRISIL Report. Further, according to the CRISIL Report, road transportation is expected to become more competitive.

The GST regime may also result in levy of certain additional taxes, which if not reimbursed by our clients, may adversely affect our business, financial condition and results of operations.

***Use of technology and innovation***

We use technology, including automated processes throughout our logistics offerings to enable efficient and cost-effective operational management and to service our customers' needs. Our information technology systems play a significant role in enabling us to offer cost-efficient and customized solutions to our customers. It not only enhances our operational efficiency and customer service quality, but also reduces our operating costs, enabling us to handle emergency situations, making it more competitive in the global logistics markets. We intend to implement cloud ERP platform for our end-to-end logistics solutions, providing a single integrated platform with customer portal and mobility solution and also propose to set up Internet of Things cloud platform. The implementation of such technology shall entail a significant amount of capital expenditure, including in relation to maintenance when needed, which may have an effect on our cash flow until we are able to realise the benefits of its implementation in terms of increased volumes and cost efficiency. Additionally, technology is susceptible to outages and technical snags, which may disrupt our workflow and affect our revenues.

***Diversification of our business***

We have recently started providing warehousing & distribution services and cold chain (temperature controlled warehousing and transportation) services. According to the CRISIL Report, the warehousing industry in India is expected to grow at 6-8% CAGR in square feet terms from Fiscals 2018 to 2021, driven by industrial segment. The warehousing, distribution and transportation services to be provided by us includes, palletized and non-palletised storage, oversize cargo storage, open yard storage, dangerous goods storage, 3PL services. Further, according to the CRISIL Report, cold-chain industry is expected to grow at 13-15% CAGR from ₹ 248 billion in Fiscal 2017 to ₹ 472 billion in Fiscal 2022, primarily driven by temperature-controlled warehouses (TCWs), which account for over 90% of industry revenue. For further details, see "*Industry Overview*" and "*Our Business—Our Strategies— Continue to expand our geographical presence and establish our new business segments – cold chain and warehousing & distribution*" beginning on pages 98 and 49, respectively.

We will also explore opportunities for entry into certain other new business segments and opportunities that we anticipate will experience high growth in the near future.

***Our relationship with the Transworld group***

We leverage the strengths and heritage of the Transworld group. The Transworld group provides us access to wide range of reliable service offerings, including its large network, offices and businesses and also provides us access to various customers operating in different industry segments on a priority basis. We hold a significant edge over our competition in terms of belonging to the Transworld group which has two vessel operating companies being Shreyas Shipping, our Promoter, one of the largest Indian flag ship owner/operator and Transworld Feeders, our Group Company based in UAE operating vessels between Middle East, South-East Asia and Far-East and India, including in terms of providing time bound services to our customers. Any adverse changes in the nature of operations of any of the Transworld group entities or any unexpected diminution in our relationship with the Transworld group may materially and adversely affect our business, operations, financial condition, results of operations, cash flows and prospects.

**Critical Accounting Policies and Estimates**

A summary of the significant accounting policies applied in the preparation of our financial statements is set out in the notes to the financial statements included elsewhere in this Draft Red Herring Prospectus.

**Basis of preparation and presentation**

The Restated Consolidated Ind-AS Statement of Assets and Liabilities of the Group (comprising Company and its Subsidiaries) as at March 31, 2018 and March 31, 2017 and the Restated Consolidated Ind-AS Statement of Profit and Loss, the Restated Ind-AS Consolidated Statement of Changes in Equity and the Restated Consolidated Ind-AS Statement of Cash flows for the years ended March 31, 2018 and March 31, 2017 and Restated Ind-AS Other Consolidated Financial Information (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The Restated Consolidated Financial Information (including Restated Consolidated Ind AS financial information for the years ended March 31, 2018 and March 31, 2017 and Restated Consolidated Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014) have been compiled by the Company from the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2018 prepared under Ind AS and for the years ended March 31, 2017, 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

The comparative restated financial information of the Group for the year ended 31st March, 2017, 2016, 2015 and 2014 prepared in accordance with Ind AS included in this restated consolidated Ind AS financial statements has been audited and examined by PKF Sridhar and Santhanam LLP, the predecessor auditor vide their report dated 6th June, 2018.

The Group has elected to present all five years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial information for the years ended March 31, 2016, 2015 and 2014 have been prepared on Proforma basis (i.e. "Proforma Consolidated Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in Group prospectuses issued by ICAI. For the purpose of Proforma Ind AS Consolidated financial information for the years ended March 31, 2016, 2015 and 2014, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016 Refer Note (r) for the details of first-time adoption exemptions availed by the Group. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Consolidated financial information as of and for the years ended March 31, 2016, 2015 and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016). The basis of preparation for specific items where exemptions has applied are as follows:

- Property Plant & Equipment, Intangible assets and Investment Property - As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of property, plant & equipment, intangible assets and investment property. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has provided the depreciation based on the estimated useful life of the respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

- Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS, that occurred before 29th September, 2012. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has continued with the existing exemption availed on the date of transition (i.e. April 1, 2016).

- The requirement of Ind AS 101 that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having deficit balance has been applied by the Group retrospectively from 29th September, 2012.

  Ind AS 101 permits cumulative translation gain and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation difference in accordance with Ind AS 21 'The Effects of Changes in Foreign Exchange Rates' from the date a subsidiary or equity method accounted investee was formed or acquired.

  The Group elected to reset all its cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has not reset the balances before the transition date to zero.

- The Group elected to reset the balance in revaluation reserve to zero by transferring it to opening retained earnings at its transition date. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has not reset the balances before the transition date to zero.

- As specified in the Guidance Note, the equity balance computed under Proforma Ind AS Consolidated financial information for the years ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the years ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind- AS principles applied on Proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS Consolidated financial information has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Annexure VI.

  The Restated Consolidated Financial Information (including Restated Consolidated Ind AS financial information for the years ended March 31, 2018 and March 31, 2017 and Restated Consolidated Proforma Ind AS financial information for the years ended March 31, 2016, 2015 and 2014) have been compiled by the Group from the Audited Consolidated Financial Statements of the Company for the years ended March 31, 2018 and March 31, 2017 prepared under Ind AS and for the years ended March 31, 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

For all periods up to and including the year ended March 31, 2017, the Group prepared its Audited Consolidated Financial Statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Consolidated financial statements for the year ended March 31, 2018 are the first IND AS consolidated financial statements of the Group. The date of transition to Ind AS is April 1, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2017, 2016, 2015, and 2014 and of the Restated Statement of Profit and loss and other comprehensive Income for the years ended March 31, 2017, 2016, 2015 and 2014. Reconciliation of the same is disclosed in Annexure VI.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Group by way of fresh issue of shares as well as offer for sale by the selling shareholders, to be filed by the Group with SEBI, in accordance with the requirements of:

a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").

c) Guidance note on reports in Group prospectuses.

These Restated Consolidated Financial information have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

The accounting policies as set out below have been applied consistently to all the periods presented in these Restated Consolidated Ind AS Financial Information.

The functional currency of the Company is determined to be Indian Rupees. The functional currency of subsidiaries is their respective local currencies.

The Restated Consolidated Financial Information are presented in Indian Rupees (INR) and all values are rounded to the nearest millions, expect where otherwise indicated.

The Restated Consolidated Ind AS Financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Restated Consolidated Ind AS Financial Information is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**Significant accounting policies**

**a) Basis of consolidation**

The Restated Consolidated Financial Information incorporate the restated financial information of the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

The Restated Consolidated Ind AS Financial Information of the Group combine financial information of the Parent and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

**b) Business combination**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the restated Ind-AS consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the restated Ind-AS consolidated statement of profit and loss.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method. The assets and liabilities of combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise the accounting policies. Business combinations arising from transfers of interests in entities that are under the control of shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of reserves are preserved and they appear in the Restated Consolidated Ind AS Financial Information of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

**c) Revenue recognition**

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

**i. Revenue from logistics service operations**

a) Sea freight and liner service income from transportation of cargo by inland and international waterways respectively is recognised following the proportionate completion method on time basis.

b) Terminal handling charges and ancillary income related to load port and discharge port are recognised on loading / unloading of the container at the load port and discharge port respectively.

c) Income from transportation of cargo by road / rail is recognised upon delivery to load port or final place of delivery, as applicable.

d) In case of end-to end logistics services under multimodal transport, the revenue is recognised following the proportionate completion method on time basis for each mode.

e) Freight forwarding: In case of export jobs, income is recognised on sailing of vessel (shipping freight) / receipt of airway bill (air freight). In case of import jobs, income is recognised on arrival of vessel (shipping freight) / aircraft (air freight) at the destination port.

**ii. Dividend income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

**iii. Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**d) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost comprises its purchase price net of any trade discounts and rebates, import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the restated Ind-AS consolidated statement of profit and loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized by the Group so as to write off the cost of assets over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the expected usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Class of assets | Useful lives in years |
|---|---|
| Container | 15 years |
| Tracker | 10 years |
| Computer | 3-6 years |

Depreciation on containers held by the Group's overseas components has been revised w.e.f 1 April 2017 based on expected pattern of consumption of future economic benefits, from reducing balance method using a rate of 10% - 11.10% per annum to straight line method based on estimated useful life of 15 years. Other property, plant and equipment of the Parent's foreign subsidiaries has been provided on straight-line method as per the estimated useful life of such assets as follows:

| Class of assets | Useful lives in years |
|---|---|
| Furniture, Fixtures and office equipment | 3-5 years |
| Motor vehicles | 5 years |

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life for that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

**e) Investment properties**

Investment property comprises of residential properties in United Arab Emirates.

The investment property are measured initially at cost less accumulated depreciation and impairment loss. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The investment property are depreciated using the straight line method over the expected useful life of 20 years.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, when material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

**f) Intangible assets**

Intangible assets purchased are carried at cost as of the date of acquisition less accumulated amortisation and accumulated impairment losses, if any. Intangible asset in the nature of computer software is amortised on a straight line basis over the estimated useful life of 4 to 6 years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the restated Ind-AS consolidated statement of profit and loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. For the purpose of Proforma Consolidated Ind AS financial information for the years ended March 31, 2016, 2015 and 2014, the Group has provided the amortisation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

**g) Foreign exchange transactions**

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional and presentation currency of the Company is Indian Rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the restated Ind-AS consolidated statement of assets and liabilities date and exchange gains and losses arising on settlement and restatement are recognised in the restated Ind-AS consolidated statement of profit and loss.

Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for the exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the restated financial information of the Company for the year ended March 31, 2017 prepared under Previous GAAP, are capitalized as a part of the depreciable property, plant and equipment to which the monetary item relates and depreciated over the remaining useful life of such assets.

For the purposes of preparation of these restated consolidated financial information, the assets and liabilities of the Group's foreign subsidiaries are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

**h) Borrowing cost**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All the other borrowing costs are recognised in the Consolidated restated Ind-AS consolidated statement of profit and loss in the period in which they are incurred.

**i) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax:**

Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of tax laws applicable in the respective countries of the Company and its subsidiaries. Subsidiaries in UAE are not subject to any taxes on income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting of a business combination, the tax effect is included in the accounting for the business combination.

**j) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the rime value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

**k) Employee benefits:**

**i) Short-term employee benefits:**

Benefits accruing to employees in respect of wages, salaries, compensated absences (availed at the time of retirement or termination), expected cost of bonus which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Group in respect of services provided by employees up to the reporting date.

**ii) Retirement benefit costs and termination benefits**

Defined contribution plans:

The eligible employees of the Group are entitled to receive benefits under the provident fund scheme which is in substance, defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

The Group's liabilities towards gratuity is determined using the projected unit credit method, with actuarial valuations being carried out on half yearly basis.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Consolidated restated Ind-AS consolidated statement of assets and liabilities with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in other equity and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit or Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Consolidated restated Ind-AS consolidated statement of assets and liabilities represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form reductions in future contributions to the plans.

Provision for employees' end-of-service benefits for overseas components in Oman and Saudi Arabia is recognised in accordance with the Labour Law in Oman and Kingdom of Saudi Arabia respectively based on current remuneration and cumulative years of service of employees at the reporting date and is not determined on actuarial valuation basis.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognises any related restructuring costs.

**iii) Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related services are rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in the respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to reporting date.

**l) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**m) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease when the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Rental income from operating leases is recognised on straight line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight line basis over the lease term.

Group as a lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Consolidated Statement of Profit or Loss.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

**n) Accounting and reporting of information for Operating Segments**

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Makers (CODM) in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

**o) Cash and cash equivalents**

Cash and cash equivalent in the Consolidated restated Ind-AS consolidated statement of assets and liabilities comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

**p) Financial instruments**

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated restated Ind-AS consolidated statement of profit and loss.

**a) Non-derivative financial instruments:**

**i) Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**ii) Financial assets carried at amortised cost**

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iv) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**v) Equity instruments**

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

**vi) Financial liabilities at amortized cost**

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the restated Ind-AS consolidated statement of assets and liabilities date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**b) Impairment:**

**i) Financial assets:**

The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

The Group assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the company's past history of recovery, credit worthiness of the counter party and existing market conditions.

**ii) Non-financial assets:**

Property, plant and equipment and intangible assets:

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability wherever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated restated Ind-AS consolidated statement of profit and loss.

**c) De-recognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated restated Ind-AS consolidated statement of profit and loss.

A financial liability (or a part of a financial liability) is derecognised from the Group's Consolidated restated Ind-AS consolidated statement of assets and liabilities when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated restated Ind-AS consolidated statement of profit and loss.

**d) Fair value of financial instruments:**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

**q) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Group has identified twelve months as its operating cycle.

**r) First time adoption:**

The Group has prepared the opening Consolidated Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions as detailed below.

**i. Deemed cost for property, plant and equipment, investment property and intangible assets:**

The Group has elected to continue with the carrying value of all of its property, plant and equipment, investment properties and intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

**ii. De-recognition of financial assets and financial liabilities**

The Group has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

**iii. Designation of previously recognised financial instruments**

The Group has designated financial liabilities and financial assets at fair value through profit or loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

**iv. Impairment of financial assets**

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**v. Classification of debt instruments**

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

**vi. Long term foreign currency monetary item:**

The Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended 31st March, 2017.

**vii. Past business combinations:**

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before September 29, 2012.

**viii. Non-controlling interests:**

The requirement of Ind AS 101 that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having deficit balance has been applied by the Group retrospectively from September 29, 2012.

**ix. Foreign currency translation reserve:**

Ind AS 101 permits cumulative translation gain and losses to be reset to zero at the transition date. The Group elected to reset all its cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

**x. Revaluation reserve:**

Ind AS 101 permits cumulative revaluation reserve to be reset to zero at the transition date.

The Group elected to reset all its revaluation reserve to zero by transferring it to opening retained earnings at its transition date.

**s) Key sources of estimation uncertainty and critical accounting judgements:**

The preparation of the Restated Consolidated Ind AS Financial Information requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the company's accounting policies and that have the most significant effect on the amount recognised in the Restated Consolidated Ind AS Financial Information and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**i. Revenue recognition:**

The Group recognises unfinished voyage income and related expenses based management's estimates on the average number of days required to complete the voyage from the port of origin for the voyage to the port of destination given its operational performance during the year. The actual travel time per voyage may differ leading to differences in unfinished voyage income and expenses to be recognised for voyages in-transit at the end of the period.

**ii. Useful lives and residual values of property, plant and equipment:**

As described in (f) above, the management reviews the useful lives of property, plant and equipment at least once a year. Such lives for containers and trailers are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Residual values of the containers is estimated at the year-end based on average realisation made from the sale / disposal of containers during the year.

**iii. Contingencies:**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in Note XXV but are not recognized.

**iv. Expected credit losses:**

The Group assesses its expected credit losses at each reporting date. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Key assumptions applied are experience (including comparisons of the relative age of accounts and consideration of actual write-off history), customer creditworthiness, changes in customer payment terms, the estimated debt recovery rates and future market conditions that could affect recovery. The actual level of debt collected may differ from the estimated levels of recovery.

**Results of Operations**

The following table sets forth the Restated Consolidated Statement of Profit and Loss of our Company for Fiscals 2018, 2017 and 2016, the components of which are also expressed as a percentage of our total income for such periods.

| | **Fiscal 2018** | | **Fiscal 2017** | | **Fiscal 2016 (Proforma)** | |
|---|---|---|---|---|---|---|
| | **Amount (₹ in million)** | **% of Total Income** | **Amount (₹ in million)** | **% of Total Income** | **Amount (₹ in million)** | **% of Total Income** |
| | | | | | | |
| **Income:** | | | | | | |
| Revenue from Operations | 13,990.51 | 99.47 | 10,243.48 | 99.18 | 9,284.88 | 99.47 |
| Other Income | 74.36 | 0.53 | 82.28 | 0.82 | 49.23 | 0.53 |
| **Total Income** | **14,064.87** | **100** | **10,325.76** | **100** | **9,334.11** | **100** |
| | | | | | | |
| **Expenses:** | | | | | | |
| Freight and other operating expenses | 12,314.72 | 87.56 | 9,096.24 | 88.09 | 8,192.42 | 87.77 |
| Employee benefits expense | 466.70 | 3.32 | 360.42 | 3.49 | 356.51 | 3.82 |

| | Fiscal 2018 | | Fiscal 2017 | | Fiscal 2016 (Proforma) | |
|---|---|---|---|---|---|---|
| | **Amount (₹ in million)** | **% of Total Income** | **Amount (₹ in million)** | **% of Total Income** | **Amount (₹ in million)** | **% of Total Income** |
| Finance costs | 82.21 | 0.58 | 108.40 | 1.05 | 104.21 | 1.12 |
| Depreciation and amortisation expense | 85.98 | 0.61 | 199.05 | 1.93 | 194.79 | 2.09 |
| Other expenses | 491.03 | 3.49 | 377.49 | 3.66 | 369.74 | 3.96 |
| **Total Expenses** | **13,440.64** | **95.56** | **10,141.60** | **98.22** | **9,217.67** | **98.75** |
| | | | | | | |
| **Profit before tax** | **624.23** | **4.44** | **184.16** | **1.78** | **116.44** | **1.25** |
| | | | | | | |
| **Tax expenses:** | | | | | | |
| Current tax | 103.71 | 0.74 | 24.89 | 0.24 | 13.17 | 0.14 |
| Deferred tax | 13.33 | 0.09 | 17.47 | 0.17 | 4.47 | 0.05 |
| **Total tax expenses** | **117.04** | **0.83** | **42.36** | **0.41** | **17.64** | **0.19** |
| **Profit for the year** | **507.19** | **3.61** | **141.80** | **1.37** | **98.80** | **1.06** |

**Principal components of our income and expenditure**

***Income***

Our total income comprises (i) revenue from operations and (ii) other income.

*Revenue from Operations*

Our revenue from operations comprises (i) domestic service income; (ii) international service income; (iii) trailer income; (iv) rail domestic income; and (v) freight forwarding.

*Other income*

Other income includes rental income, interest on bank deposit, interest on income tax refund, profit on sale of property, plant and equipment, profit on sale of investments, exchange rate fluctuation, dividend income, reversal of provision for doubtful debts, freight tax refund, interest from delay in receipts from sale of non-current investments and miscellaneous income.

***Expenses***

Our expenses consist of (i) freight and other operating expenses, (ii) employee benefits expense, (iii) finance costs, (iv) depreciation and amortisation expense and (v) other expenses.

*Freight and other operating expenses*

Freight expenses primarily consists of expenditure incurred towards transportation of goods, including ocean freight charges, transportation expenses, terminal handling charges, freight forwarding expenses and other expenses, including container lease rent, container handling and storage charges, container repairs and survey charges, agency fees, brokerage, container / cargo insurance and other expenses.

*Employee benefits expense*

Employee benefits expenses consists of salaries and wages, contributions to provident and other funds and staff welfare expenses. Salaries, wages and bonuses are the largest component of our employee benefit expenses.

*Finance costs*

Finance costs include interest expenses on borrowings from banks, related parties and other entities, finance lease charges, dividend on preference share capital and premium on redemption of preference shares.

*Depreciation and Amortisation Expense*

Depreciation and amortisation expense comprises depreciation on property, plant and equipment, investment property and amortisation of intangible assets.

*Other expenses*

Other expenses include expenses related to professional fees, rent, travelling and conveyance, repairs and maintenance, business promotion expenses, communication expenses, vehicle lease rent, management fees, director sitting fees, printing and stationary, payment to auditors, writing off bad debts, provision for doubtful debts, rates and taxes, electricity expenses, insurance expenses, bank charges, donation, loss on sale/ discarding of assets, loss on exchange rate variation, CSR expenditure and miscellaneous expenses.

***Tax Expenses***

Our tax expenses comprise of current tax and deferred tax.

**Results of Operations for Fiscal 2018 compared to Fiscal 2017**

***Income***

Our revenue from operations increased by 36.58% to ₹ 13,990.51 million for Fiscal 2018 compared to ₹ 10,243.48 million for Fiscal 2017. This increase in revenue from operations was primarily due to increase in domestic and international business volumes and addition of new customers.

Our domestic and international logistics division handled 121,350 and 139,427 TEUs respectively during Fiscal 2018 and 90,713 and 103,365 TEUs, respectively, during Fiscal 2017. Our Company expanded its geographical reach in March, 2017 by acquiring Avana Global and accordingly Fiscal 2018 reflects increase in our international service income on a consolidated basis. Our domestic service income increased by 41.12% to ₹ 6,284.36 million for Fiscal 2018 compared to ₹ 4,453.27 million for Fiscal 2017. Our international service income increased by 36.36% to ₹ 6,961.95 million for Fiscal 2018 compared to ₹ 5,105.51 million for Fiscal 2017. Our trailer income increased by 59.83% to ₹ 177.17 million for Fiscal 2018 compared to ₹ 110.85 million for Fiscal 2017. Our freight forwarding income decreased by 1.19% to ₹ 567.03 million for Fiscal 2018 compared to ₹ 573.85 million for Fiscal 2017.

***Expenses***

Our total expenses increased by 32.53% to ₹ 13,440.64 million for Fiscal 2018 compared to ₹ 10,141.60 million for Fiscal 2017. This increase in expenses was primarily due to increase in domestic and international business volumes.

*Freight and other operating expenses*

Our freight and other operating expenses increased by 35.38% to ₹ 12,314.72 million for Fiscal 2018 compared to ₹ 9,096.24 million for Fiscal 2017. This increase was primarily due to increase in domestic and international business volumes.

*Employee benefits expense*

Our employee benefits expense increased by 29.48% to ₹ 466.70 million for Fiscal 2018 compared to ₹ 360.42 million for Fiscal 2017. This increase was primarily due to increase in manpower due to expansion of business operations.

*Finance costs*

Our finance costs decreased by 24.16% to ₹ 82.21 million for Fiscal 2018 compared to ₹ 108.40 million for Fiscal 2017. This decrease was primarily due to repayment of terms loans and other borrowings.

*Depreciation and Amortisation Expense*

Our depreciation and amortisation expense decreased by 56.80% to ₹ 85.98 million for Fiscal 2018 compared to ₹ 199.05 million for Fiscal 2017. The reason for reduction in depreciation cost is due to revision in estimated useful life of assets at Avana Global.

*Other expenses*

Our other expenses increased by 30.08% to ₹ 491.03 million for Fiscal 2018 compared to ₹ 377.49 million for Fiscal 2017. This increase was primarily due to increase in audit fees, business promotion and travelling resulting from scaling up of operations.

***Profit before Tax***

As a result of the foregoing factors, our profit before tax increased by 238.96% to ₹ 624.23 million for Fiscal 2018 compared to ₹ 184.16 million for Fiscal 2017.

### *Tax Expenses*

Our tax expenses increased by 176.30% to ₹ 117.04 million for Fiscal 2018 compared to ₹ 42.36 million for Fiscal 2017. This increase was primarily due to increase in profits of our Company on a standalone basis.

### *Profit for the Year*

As a result of the foregoing factors, our profit for the year increased by 257.68% to ₹ 507.19 million for Fiscal 2018 compared to ₹ 141.80 million for Fiscal 2017.

## Results of Operations for Fiscal 2017 Compared to Fiscal 2016

### *Income*

Our total income increased by 10.62% to ₹ 10,325.76 million for Fiscal 2017 compared to ₹ 9,334.11 million for Fiscal 2016.

Our domestic and international logistics division handled 90,713 and 103,365 TEUs respectively during Fiscal 2017 and 63,318 and 98,425 TEUs during Fiscal 2016. Our revenue from operations increased by 10.32% to ₹10,243.48 million for Fiscal 2017 compared to ₹9,284.88 million for Fiscal 2016 primarily due to increase in domestic business volumes. Our domestic service income increased by 33.73% to ₹4,453.27 million for Fiscal 2017 compared to ₹3,330.12 million for Fiscal 2016. Our international service income increased by 0.93% to ₹5,105.51 million for Fiscal 2017 compared to ₹5,058.45 million for Fiscal 2016. Our trailer income increased by 1.60% to ₹110.85 million for Fiscal 2017 compared to ₹109.10 million for Fiscal 2016. Our freight forwarding income decreased by 27.10% to ₹573.85 million for Fiscal 2017 compared to ₹787.21 million for Fiscal 2016.

### *Expenses*

Our total expenses increased by 10.02% to ₹ 10,141.60 million for Fiscal 2017 compared to ₹ 9,217.67 million for Fiscal 2016. This increase in expenses was primarily due to increase in freight and other operating expenses.

*Freight and other operating expenses*

Our freight and other operating expenses increased by 11.03% to ₹ 9,096.24 million for Fiscal 2017 compared to ₹ 8,192.42 million for Fiscal 2016. This increase was primarily due to ordinary course and day-to-day increase in expenses and price escalation, such as increase in transportation expenses, terminal handling charges which was partially off-set by decrease in freight forwarding expenses.

*Employee benefits expense*

Our employee benefits expense increased by 1.10% to ₹360.42 million for Fiscal 2017 compared to ₹356.51 million for Fiscal 2016.

*Finance costs*

Our finance costs increased by 4.02% to ₹108.40 million for Fiscal 2017 compared to ₹ 104.21 million for Fiscal 2016. This increase was primarily due to increase in interest on finance lease obligations which was partially off-set by reduction in interest on borrowings.

*Depreciation and amortisation expense*

Our depreciation and amortisation expense increased by 2.19% to ₹199.05 million for Fiscal 2017 compared to ₹194.79 million for Fiscal 2016.

*Other expenses*

Our other expenses increased by 2.10% to ₹377.49 million for Fiscal 2017 compared to ₹369.74 million for Fiscal 2016.

### *Profit before Tax*

As a result of the foregoing factors, our profit before tax increased by 58.16% to ₹184.16 million for Fiscal 2017 compared to ₹116.44 million for Fiscal 2016.

### *Tax Expenses*

Our tax expenses increased by 140.14% to ₹42.36 million for Fiscal 2017 compared to ₹17.64 million for Fiscal 2016. This increase was primarily due to increase in profits of our Company on a standalone basis on account of increased domestic business volumes.

***Profit for the Year***

As a result of the foregoing factors, our profit for the year increased by 43.52% to ₹141.80 million for Fiscal 2017 compared to ₹98.80 million for Fiscal 2016.

**Liquidity and Capital Resources**

The table below summarises the statement of cash flows, as per our restated statement of cash flows (*consolidated*), for Fiscals 2018, 2017 and 2016.

*(₹ in million)*

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|
| Net cash generated from/(used in) operating activities | 579.44 | 523.61 | 294.48 |
| Net cash generated from/(used in) investing activities | 29.50 | 7.12 | (109.23) |
| Net cash generated from/(used in) financing activities | (452.64) | (513.04) | (242.49) |

***Cash Flows from Operating Activities***

*Fiscal 2018*

Net cash generated from operating activities for Fiscal 2018 was ₹579.44 million, which was as a result of (i) adjustments to profit after taxes for depreciation and amortisation expenses amounting to ₹ 85.98 million, Interest expenses ₹ 82.21 million, expected credit loss provision of ₹ 29.68 million and profit on disposal of property, plant and equipment amounting to ₹ 26.94 million, and (ii) decrease in working capital primarily due to increase in trade receivables of ₹177.29 million.

*Fiscal 2017*

Net cash generated from operating activities for Fiscal 2017 was ₹523.61 million, which was as a result of (i) adjustments to profit after taxes for depreciation and amortisation expenses amounting to ₹ 199.05 million and interest expenses of ₹108.40 million, and (ii) movement in working capital primarily due to increase in trade receivables of ₹ 745.36 million offset by increase in trade payables of ₹828.14 million and other financial liabilities ₹ 56.13 million

*Fiscal 2016*

Net cash generated from operating activities for Fiscal 2016 was ₹294.48 million, which was as a result of (i) adjustments to profit after taxes for depreciation and amortisation expenses amounting to ₹ 194.79 million and interest expenses of ₹103.57 million, and (ii) movement in working capital primarily due to increase in trade receivables of ₹ 447.71 million and increase in trade payables by ₹ 333.90 million.

***Cash Flows from Investing Activities***

*Fiscal 2018*

Net cash generated from investing activities for Fiscal 2018 was ₹29.50 million, primarily representing sale of property, plant and equipment consisting of containers of ₹ 83.61 million.

*Fiscal 2017*

Net cash generated from investing activities for Fiscal 2017 was ₹7.12 million, primarily representing cash used in purchase of property, plant and equipment, consisting of containers and trailers and intangible assets of ₹43.54 million and which was partly off-set by disposal of subsidiary amounting to ₹ 17.49 million and proceeds from sale of plant, property and equipment, consisting of containers of ₹41.15 million during this period.

*Fiscal 2016*

Net cash used in investing activities for Fiscal 2016 was ₹109.23 million, primarily cash used in purchase of property, plant and equipment, consisting of containers, trailers and motor vehicles and intangible assets of ₹90.86 million.

***Cash Flows from Financing Activities***

*Fiscal 2018*

Net cash used in financing activities for Fiscal 2018 was ₹452.64 million, primarily representing repayment of long term borrowings, redemption of preference share capital and repayment of finance lease obligations of ₹152.85 million, ₹100.00 million and ₹115.53 million, respectively.

*Fiscal 2017*

Net cash used in financing activities for Fiscal 2017 was ₹513.04 million, primarily representing repayment of finance lease obligations, repayment of long term borrowings and short term borrowings of ₹212.94 million, ₹182.29 million and ₹144.32 million, respectively.

*Fiscal 2016*

Net cash used in financing activities for Fiscal 2016 was ₹242.49 million, primarily representing cash used for payment of finance lease obligation of ₹155.57 million and repayment of long term borrowings of ₹136.76, which was partly offset by movement in short term borrowings of ₹50.25 million during this period.

**Indebtedness**

As of March 31, 2018, we had total long-term borrowings, including current maturities, amounting to ₹ 558.24 million, which consisted of secured term loan from banks, finance lease obligations and loans repayable on demand.

**Contractual obligations and commitments**

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2018, aggregated by type of contractual obligation:

*(₹ in million)*

| **Particulars** | **Amount as of March 31, 2018** |
|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 3.45 |

**Contingent Liabilities**

As of March 31, 2018, our contingent liabilities that have not been provided for were as follows:

*(₹ in million)*

| **Particulars** | **Amount** |
|---|---|
| (i) Claims against the Group not acknowledged as debt: | |
| *Matters related to service tax* | 901.15 |
| *On account of disputes in respect of sales tax /VAT* | 0.44 |
| *Matters related to income tax* | 69.21 |
| (ii) Bank guarantees | 21.42 |
| **Total** | **992.22** |

For further details of certain matters which comprise our contingent liabilities, see "Financial Statements" beginning on page 201.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

**Related Party Transactions**

We enter into various transactions with related parties. See "*Related Party Transactions*" on page 199.

## Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the course of our business. Market risk is the risk of loss arising out of adverse changes in market prices, including interest rate risk, commodity risk, credit risk, inflation risk and foreign currency exchange risk.

### *Commodity Price Risk*

We are exposed to the market risk associated with respect to the prices of our operating assets. These assets include containers and vehicles. The costs for procurement of these assets, is subject to fluctuation based on their demand.

### *Interest Rate Risk*

We are exposed to interest rate risk resulting from fluctuations in interest rates on our borrowings. While all of our long term borrowings from banks and financial institutions are on fixed rate basis, our working capital borrowings primarily consist of floating rate obligations linked to the applicable benchmark rates, which may typically be adjusted at certain intervals in accordance with prevailing interest rates. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service long-term debt and to finance development of new projects, all of which in turn may adversely affect our results of operations.

### *Credit Risk*

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may affect our working capital cycle and/or we may have to make provision for or write-off on such amounts.

### *Inflation*

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

## Significant economic changes

Other than as described above under the heading entitled "*-Significant Factors Affecting Our Results of Operations and Financial Condition*", to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

## Competitive conditions

Our business operations are affected by completion from a number of international and domestic third-party logistics service providers. For details, see "*Risk Factors - We operate in a highly competitive environment and may not be able to maintain our market position which may adversely affect our market position and business"* on page 25.

## Unusual or infrequent events of transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

## Known trends or uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in "*- Significant Factors Affecting Our Results of Operations and Financial Condition*" beginning on page 326 and the uncertainties described in "*Risk Factors*" beginning on page 15. To our knowledge, except as described in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse effect on our revenues or income from continuing operations.

## Future Relationship between Cost and Income

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 15, 142 and 324, respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**Seasonality of Business**

Our business is affected by seasonal variations and adverse weather conditions including *inter alia*, effect of various festivals on our business operations. For further details see, "*Risk Factors – We are affected by seasonality experienced in providing logistics solutions to our customers depending upon the festival season in India at different geographical locations*" on pages 18 and 19.

**Significant developments after March 31, 2018 that may affect our future results of operations**

Except as stated in this Draft Red Herring Prospectus, such as purchase of property, setting up of warehouses and cold storage facilities, to our knowledge, no circumstances have arisen since the date of our Restated Financial Statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect the operations or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

**Significant dependence on business partners or customers**

Our business is affected by risks associated with our dependency on some of our customers and business partners. For further details see, "*Risk Factors* – "*We are dependent on our customers' business performance and developments in their markets and industries and their continuing outsourcing of logistics operations*" and "*We are dependent on a large number of leasing companies / business partners / port or terminal operators, who provide us operating assets and disruption in our relationships with such leasing companies / business partners / port or terminal operators could adversely impact our business, results of operations, profitability and financial condition*".

**Status of our relatively new business venture**

Except as disclosed in "*Our Business*" beginning on page 142, we have not announced and do not expect to announce in the near future any new business segments.

## SECTION VI: LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) pending actions taken by statutory or regulatory authorities, (iii) outstanding claims related to direct and indirect taxes, (iv) outstanding material litigation, in each case involving our Company, our Subsidiaries, our Promoters, our Directors or our Group Companies.*

*In relation to (iv) above, our Board in its meeting held on June 6, 2018, has considered and adopted a policy of materiality for identification of material litigation. In terms of the materiality policy adopted by our Board, any outstanding litigation:*

*a.* *involving our Company, our Subsidiaries, our corporate Promoters and our Group Companies, in which the aggregate monetary amount of claim by or against our Company, our Subsidiaries, our corporate Promoters and our Group Companies, exceeds an amount equivalent to one percent of the consolidated net profit as per the Restated Consolidated Financial Statements would be considered material. The consolidated net profit of the Company for Fiscal 2018 is ₹ 507.19 million. Accordingly, all litigation involving our Company, our Subsidiaries, our corporate Promoters and our Group Companies in which the amount involved exceeds ₹ 5.07 million has been identified as material and disclosures have been included (i) where the aggregate amount involved in an individual litigation exceeds ₹ 5.07 million; (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed ₹ 5.07 million; and (iii) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (i) or (ii) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company.*

*b.* *involving our individual Promoters and Directors, an adverse outcome of which would materially and adversely affect the business, operations or financial position or reputation of the Company, has been considered as material.*

*Our Board in its meeting held on June 6, 2018 has also approved that dues owed by our Company on a standalone basis to the small scale undertakings and other creditors exceeding 1% of the total dues owed to the small scale undertakings and other creditors would be considered as material dues for our Company and accordingly, we have disclosed consolidated information of outstanding dues owed to small scale undertakings and other creditors, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 11 million (being approximately 1% of total dues owed by our Company to the small scale undertakings and other creditors as of March 31, 2018).*

*It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiaries, our Promoters, our Directors or our Group Companies from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as material until such time that our Company, our Subsidiaries, our Promoters, our Directors or our Group Companies, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.*

*We have disclosed matters relating to direct and indirect taxes involving our Company, our Subsidiaries, our Promoters, our Directors or our Group Companies in a consolidated manner giving details of number of cases and total amount involved in such claims, except for taxation matters which involve an amount exceeding ₹ 5.07 million.*

### A. Litigation involving our Company

***Litigation against our Company***

*Matters involving an amount above ₹ 5.07 million*

There is no litigation filed against our Company exceeding ₹ 5.07 million.

*Tax matters*

*Indirect tax matters*

1. Our Company has filed an appeal before the CESTAT, Mumbai against the order of the Office of the Commissioner of Central Tax, Navi Mumbai demanding payment of service tax against our Company. The Directorate General of Central Excise Intelligence, Mumbai Zonal Unit issued a show cause cum demand notice against our Company requiring our Company to show cause among other things, as to why penalty under the Finance Act, 1994 should not be imposed against our Company for failure to pay service tax under Section 73 of the Finance Act, 1994 in respect of composite services provided by our Company during the period October 2011 to March 2016. Pursuant to the reply filed by our Company, the Office of the Commissioner of Central Tax, Navi Mumbai, held that the services provided by our Company were in the nature of end-to-end services (composite services) and could not be clubbed as a single service. The Office of the Commissioner of Central Tax, Navi Mumbai passed an order (the "**Order**") *inter alia* demanding payment of service tax amounting to ₹ 160.32 million, along with payment of applicable interest and

penalty. Accordingly, our Company has filed the aforesaid appeal against the Order. The amount involved in the matter is ₹ 160.32 million. The matter is currently pending.

2. The Office of the Commissioner of Service Tax, Mumbai issued show cause cum demand notice against our Company requiring our Company to show cause as to why services provided by our Company during Fiscal 2015 should not be classified under the category "business auxiliary services" under Section 65(105)(zzb) of the Finance Act, 1994 which amounted to payment of service tax of ₹ 30.25 million under Section 73 of the Finance Act, 1994. The amount involved in the matter is ₹ 30.25 million. The matter is currently pending.

3. The Office of the Commissioner of Service Tax, Mumbai issued show cause cum demand notice against our Company requiring our Company to show cause as to why services provided by our Company during Fiscal 2009 to 2014 should not be classified under the category "business auxiliary services" under Section 65(105)(zzb) of the Finance Act, 1994 which amounted to payment of service tax of ₹ 39.30 million under Section 73 of the Finance Act, 1994. The amount involved in the matter is ₹ 39.30 million. The matter is currently pending.

4. The Office of the Commissioner of Service Tax, Mumbai issued show cause cum demand notice against our Company requiring our Company to show cause as to why services provided by our Company during Fiscal 2015 to 2016 should not be classified under the category "business auxiliary services" under Section 65(105)(zzb) of the Finance Act, 1994 which amounted to payment of service tax of ₹ 33.18 million under Section 73 of the Finance Act, 1994. The amount involved in the matter is ₹ 33.18 million. The matter is currently pending.

5. In addition to the above, two indirect tax matters involving our Company are pending before the Deputy Excise and Taxation Commissioner and Joint Director, Patiala, and Joint Commissioner of Commercial Taxes, Vellore in relation to penalty imposed on our Company alleging *inter alia* mismatch between actual quantity and the quantity stated in the goods receipt and refund claims involving violation of provisions concerning e-transit pass. The aggregate amount involved in the matters are ₹ 0.35 million. The matters are currently pending.

*Other matters*

Other matters filed against our Company relate to *inter alia* allegations in respect of non-delivery of consignment of bales of cotton and delivery of defective cargo. The matters are currently pending.

***Litigation by our Company***

*Matters involving an amount above ₹ 5.07 million*

There is no litigation filed by our Company exceeding ₹ 5.07 million.

*Writ petitions*

Our Company has filed four writ petitions against the Union of India, Commissioner of Customs and certain other parties (the "**Respondents**") before the Madras High Court seeking a writ of mandamus in each such petition directing the Respondents to return to our Company, the empty containers belonging to our Company, as seized by the Respondents on account of, *inter alia*, (i) alleged non–payment of sales tax by the consignees transporting the cargo in our Company's containers; and (ii) for purposes of investigation by the Directorate of Revenue Intelligence of the export oriented cargo. Our Company has filed the aforementioned writ petitions on grounds that it acted only as the lender of the containers for purpose of carrying the cargo, while the contents of the container, i.e., the cargo belonged to the respective consignees. Our Company had made applications to the relevant authorities, including the Commercial Tax Officer, Tuticorin seeking release of its seized containers after emptying the contents thereof. On adequate action not being taken by such authorities, our Company has filed the aforementioned writ petitions. The matters are currently pending.

*Other matters*

One matter filed by our Company relates to *inter alia* claim proceedings before an insolvency resolution professional. The matter is currently pending.

**Outstanding dues to small scale undertakings (micro, small and medium enterprises) and other creditors**

Our Company, in its ordinary course of business, has certain amounts aggregating to ₹ 1,139.97 million which are due towards small scale undertakings (micro, small and medium enterprises) and other creditors (trade payables) as on March 31, 2018. Our Company owes the following amounts, whereby material dues to creditors are identified as each creditor exceeding ₹ 11 million *(being approximately 1% of the total dues owed by our Company to small scale undertakings (micro, small and medium enterprises) and other creditors (trade payables) as of March 31, 2018).*

| Particulars | Number of cases | Amount (₹ in million) |
|---|---|---|
| Due to small scale undertakings (micro, small and medium enterprises) | - | - |
| Material dues to creditors (trade payables) | 4 | 872.34 |
| Other dues to creditors | 482 | 267.63 |
| **Total** | **486** | **1,139.97** |

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at http://www.avanalogistek.com/creditorlist.html. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

**B. Litigation involving our Subsidiaries**

**I. Litigation involving Avana Global**

***Litigation against Avana Global***

*Matters involving an amount above ₹ 5.07 million*

There is no litigation filed against Avana Global exceeding ₹ 5.07 million.

*Tax matters*

*Indirect tax matters*

1. The Office of the Commissioner of Service Tax, Mumbai issued show cause cum demand notice against Avana Global requiring it to show cause for non-payment of ₹ 246.55 million for the period from October 2010 to 2014, amount payable on the value of exempted services provided by Avana Global under Rule 6(3) of Cenvat Credit Rules, 2004 along with interest under Rule 14 of the Cenvat Credit Rules, 2004. Accordingly, Avana Global filed a reply to the aforesaid show cause cum demand notice providing reasons for non-payment of a 6% of the cenvat credit claimed by Avana Global. The amount involved in the matter is ₹ 246.55 million. The matter is currently pending.

2. The Office of the Commissioner of Service Tax, Mumbai issued show cause cum demand notice against Avana Global requiring it to show cause for non-payment of ₹ 111.05 million for the period from April, 2014 to March, 2015, amount payable on the value of exempted services provided by Avana Global under Rule 6(3) of Cenvat Credit Rules, 2004 along with interest under Rule 14 of the Cenvat Credit Rules, 2004 and demanding reasons as to why the cenvat credit should not be disallowed. Accordingly, Avana Global filed a reply to the aforesaid show cause cum demand notice providing reasons for non-payment of a 6% of the cenvat credit claimed by Avana Global. The amount involved in the matter is ₹ 111.05 million. The matter is currently pending.

*Other matters*

Other matters filed against Avana Global relate to *inter alia* allegations in relation to mishandling of cargo by Avana Global, non-delivery of goods entrusted to Avana Global and business loss claims against Avana Global.

***Litigation by Avana Global***

*Matters involving an amount above ₹ 5.07 million*

Avana Global has filed a suit against Kalaye Saree International Shipping and Forwarding Co. Tehran before the Tehran General Department of Justice, Division 36 of the Court of General Jurisdiction in relation to *inter alia* recovery of outstanding dues payable. The amount involved in the matter is USD 1.11 million. The matter is currently pending.

**II. Litigation involving Balaji UK**

***Litigation against Balaji UK***

*Matters involving an amount above ₹ 5.07 million*

The Muslim Commercial Bank has filed a suit against Balaji UK before the Supreme Court of Pakistan alleging *inter alia* damage to the cargo. The amount involved in the matter is USD 412,303. The matter is currently pending.

*Tax matters*

*Indirect tax matters*

The Commissioner of Service Tax, Mumbai has filed an appeal before CESTAT, Mumbai against the review order by the Committee of Chief Commissioners giving partial relief to the Commissioner, Service Tax (Adjudication), Mumbai. The order passed by the Committee of Chief Commissioners had set aside the order by Commissioner, Service Tax (Adjudication), Mumbai who had adjudicated the show cause notice against Balaji UK bad in law basis merit and limitation. The show cause notice was issued against Balaji UK requiring it to show cause for why *inter alia*, the amount of ₹ 106.34 million received by Balaji UK under cargo handling services charges should not be demanded and the amount of ₹ 49.13 million paid under business support services for the period June, 2006 to March, 2009 should not be appropriated. The amount involved in the matter is ₹ 106.34 million. The matter is currently pending.

*Direct tax matters*

Director of Income Tax has filed two appeals before the Supreme Court of India against the order dated August 6, 2012 passed by the High Court of Bombay in favour of Balaji UK, holding that the freight income earned by Balaji UK from international voyages by availing slot hire facilities is not liable to be taxed in India under Article 9 of the Double Tax Avoidance Agreement entered into between Government of India and the United Kingdom. The amounts involved in the matters are ₹ 19.85 million and ₹49.35 million, respectively. The matters are currently pending.

**III. Litigation involving TW Oman**

***Litigation by TW Oman***

*Matters involving an amount above ₹ 5.07 million*

TW Oman has filed an appeal before the Supreme Court of Oman against the order passed by the primary court of Oman holding that the cargo belonging to the shipper was released by TW Oman without issuance of original bill of lading. Upon realizing that the release order has been issued against submission of copy of Bill of Lading, TW Oman had instructed the stevedoring company, C Stayouing Oman Company, Oman (the "**First Defendant**"), to stop the release of cargo to the consignee, Future Middle East Projects (the "**Second Defendant**"). Despite such orders, the First Defendant released the cargo to the Second Defendant and accordingly, TW Oman filed a suit against the First Defendant and the Second Defendant demanding payment of cargo value or return of cargo. The amount involved in the matter is USD 2,25,608. The matter is currently pending.

**C. Litigation involving our Promoters**

**I. Litigation involving Shreyas Shipping**

***Litigation against Shreyas Shipping***

*Criminal matters*

Lakhman Kanabhai Rathod Koli has filed a criminal case against Girish Madan Mohan Barman, master of vessel owned by Shreyas Shipping before the Una Judicial Magistrate First Class Court alleging *inter alia* rash navigation of vehicle thereby causing death by negligence. The matter is currently pending.

***Litigation by Shreyas Shipping***

*Writ petitions*

One writ petition has been filed by Shreyas Shipping against Union of India and Container Corporation of India Ltd., *inter alia* challenging the validity of a non-compete clause mentioned in the e-tender issued by Container Corporation of India Ltd, before the High Court of Delhi, New Delhi. The matter is currently pending.

*Matters involving an amount above ₹ 5.07 million*

There is no litigation filed by Shreyas Shipping exceeding ₹ 5.07 million.

*Other matters*

One matter filed by Shreyas Shipping relates to arbitration proceedings in relation to *inter alia* breach of contract for transportation of cargo. The matter is currently pending.

**D. Litigation involving our Directors**

**I. Litigation involving Maya Swaminathan Sinha**

***Litigation against Maya Swaminathan Sinha***

*Criminal matters*

1. One criminal complaint has been filed against IHDP under Sections 138 and 141 of the Negotiable Instruments Act, wherein Maya Swaminathan Sinha was an executive director on account of dishonour of cheques towards repayment of loan by IHDP. The court has granted permanent exemption to Maya Swaminathan Sinha from personal appearance. The matter is currently pending.

2. One criminal complaint has been filed against SIDBI under Sections 138 and 141 of the Negotiable Instruments Act, wherein Maya Swaminathan Sinha was an executive director on account of dishonour of cheques towards repayment of loan by SIDBI. The court has granted permanent exemption to Maya Swaminathan Sinha from personal appearance. The matter is currently pending.

3. One criminal complaint has been filed against CORE Education and Technologies Limited under Sections 138 and 141 of the Negotiable Instruments Act, wherein Maya Swaminathan Sinha was an executive director on account of dishonour of cheques towards repayment of loan by CORE Education and Technologies Limited. The court has granted permanent exemption to Maya Swaminathan Sinha from personal appearance. The matter is currently pending.

**Actions initiated by SEBI against entities operating in the securities market with which our Directors are associated**

There are no actions initiated by SEBI against entities operating in the securities market with which our Directors are associated.

**E. Litigation involving our Group Companies**

**I. Litigation involving BSL Freight Solutions Private Limited ("BSL Freight")**

***Litigation by BSL Freight***

*Criminal matters*

1. One criminal complaint has been filed by BSL Freight against M/s. Uniyal Logistics Private Limited (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent before the Metropolitan Magistrate Court, New Delhi under Section 138 of the Negotiable Instruments Act. The matter is currently pending.

2. One criminal complaint has been filed by BSL Freight against M/s. Uniyal Logistics Private Limited (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent before the Metropolitan Magistrate Court, New Delhi under Section 138 of the Negotiable Instruments Act. The matter is currently pending.

3. One criminal complaint has been filed by BSL Freight against Rakesh Industries and another (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent before the Ilaqa Judicial Magistrate Court, Ludhiana under Section 138 of the Negotiable Instruments Act. The matter is currently pending.

**II. Litigation involving SRS Freight Management Limited ("SRS Freight")**

***Litigation by SRS Freight***

*Criminal matters*

1. One criminal complaint has been filed by SRS Freight against Magnolia Limited and another (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent before the Kurla lower court, Mumbai under Section 138 of the Negotiable Instruments Act. The matter is currently pending.

2. One criminal complaint has been filed by SRS Freight against Glowstar Marine Logistic India Private Limited and other (the "**Respondent**") in respect of dishonour of cheque issued by the Respondent before the Metropolitan Magistrate Court, New Delhi under Section 138 of the Negotiable Instruments Act. The matter is currently pending.

**III. Litigation involving Transworld Logistics Limited**

***Litigation by Transworld Logistics Limited***

*Criminal matter*

One criminal case has been filed by Transworld Logistics Limited under Section 138 of the Negotiable Instruments Act in relation to recovery of outstanding amount pursuant to dishonor of cheque. This matter is currently pending.

## IV. Litigation involving Transworld Feeders, FZCO ("Transworld Feeders")

***Litigation against Transworld Feeders***

*Matters involving an amount above ₹ 5.07 million*

Sri Lanka Port Authorities (the "**Plaintiff**") had filed a suit against Lab Chemicals and Bengal Tiger Lines (a joint venture partner of Transworld Feeders) (the "**Respondent**") before the District Court of Colombo (the "**Court**") alleging mis-declaration of dangerous cargo discharged by the Respondent at the Plaintiff's terminal thereby causing damages to the Plaintiff. Whilst Transworld Feeders has not been made a party to the suit, as per the terms of its joint venture agreement with the Respondent, any liability arising out of cargo carried under Transworld Feeders' container's slot shall be borne by Transworld Feeders. Subsequently, Transworld Feeders has filed a declaratory suit against St. Johns Freight Systems Limited ("**St. Johns**") to seek declaration of liability of St. Johns if the Court passes an adverse order against the Respondent. The amount involved in the matters is ₹ 219.38 million. The matters are currently pending.

## V. Litigation involving Encore Pierian Logistics Business Services Limited ("Encore Pierian")

***Litigation against Encore Pierian***

*Matters involving an amount above ₹ 5.07 million*

Inatech MEF-FZ LLC (the "**Petitioner**") had filed a suit against Encore Pierian before the High Court of Karnataka (the "**Court**") alleging *inter alia* breach of contractual obligations and non-payment of invoices raised towards the services rendered by the Petitioner to Encore Pierian. The Petitioner has also claimed amount deducted by Encore Pierian in compliance of Section 195 of the Income Tax Act, 1961. The amount involved in the matters is ₹ 6.52 million. The matter is currently pending.

## F. Material Developments

For details of material developments since last balance sheet date, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant developments after March 31, 2018 that may affect our future results of operations*" on page 348.

## GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of approvals obtained by our Company and our Subsidiaries which are considered material and necessary for the purpose of undertaking their business activities. In view of these material approvals, our Company can undertake this Issue and its current business activities. In addition, certain of our material approvals may have lapsed or may lapse in their normal course and our Company and our Subsidiaries have either already made an application to the appropriate authorities for renewal of such material approvals or are in the process of making such renewal applications.*

*We have also disclosed below (i) the material approvals applied for, including renewal applications made, but not received; (ii) the material approvals which have expired and renewal yet to be applied for; and (iii) the material approvals which are required but not obtained or applied for.*

*For further details in connection with the regulatory and legal framework within which we operate, see "Regulations and Policies" beginning on page 155.*

**Approvals in relation to the Issue**

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures - Authority for the Issue*" on page 357.

**I. Incorporation details of our Company**

a) Certificate of incorporation as Shreyas Shipping Services (India) Private Limited dated March 17, 1994 issued by the RoC.

b) Fresh certificate of incorporation consequent on change of name from Shreyas Shipping Services (India) Private Limited to Shreyas Relay Systems Private Limited dated December 29, 2004 issued by the RoC.

c) Certificate of change of name under the Companies Act, 1956 from Shreyas Relay Systems Private Limited to Shreyas Relay Systems Limited dated May 6, 2005 issued by the RoC.

d) Fresh certificate of incorporation consequent on change of name under the Companies Act, 2013 from Shreyas Relay Systems Limited to Avana Logistek Limited dated April 17, 2018 issued by the RoC.

**II. Approvals in relation to the business operations of our Company and our Subsidiaries**

a) Certificate of registration dated October 1, 2017 issued by the Directorate General of Shipping, Ministry of Shipping, Government of India under the Multimodal Transportation of Goods Act, 1993 to commence the business of multimodal transportation.

b) Certificate of registration of container code dated February 6, 2018 issued by the Bureau International des Containers et du Transport Intermodal (the "**BIC**") in accordance with Standard 6346 of the International Organization for Standardization, Customs Conventions and BIC Registration terms for free circulation and temporary admission for containers displaying an owner's code registered with the BIC.

c) Customs licenses for steamer agents in respect of each of the nine jurisdictions where our Company has its operations issued by the relevant office of commissioner of customs under the Customs Act, 1962.

d) Certificate of Importer-Exporter Code dated March 7, 2006 issued by the Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India under the Foreign Trade (Development and Regulation) Act, 1992 to enable us to import and export goods and services from India.

e) Licences issued by relevant authorities under applicable laws permitting our Subsidiaries to undertake business acitivties including sea cargo services, air cargo services, operating and managing warehousing and vessels, loading and unloading of goods and sea and coastal freight water transport.

*Tax related approvals*

Various tax related approvals, including PAN and TAN issued under the Income Tax Act, 1961, and goods and services tax registrations issued under the Goods and Services Tax, Act, 2017.

*Employee, labour and shops and establishments related approvals*

Registrations under various employee, labour and shops and establishments related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Maharashtra Shops and Establishments Act, 1948.

In addition to the above, our Company has obtained membership with the Association of Multimodal Transport Operators of India and has been recommended as a transport operator by the Indian Banks' Association to its member banks.

*Material approvals obtained for branches of our Company*

*a)* *Shops and Establishments Registrations*

Shops and establishments registrations issued by various state labour departments under relevant state legislations in respect to our branches.

*b)* *Trade License*

Trade licenses issued by relevant municipal authorities under applicable laws in respect of our branches.

**III. Approvals applied for, including renewal applications made, but not received**

a) Application for trade license has been made to the relevant municipal authority under applicable laws in respect of the branch in Kolkata.

b) Applications for shops and establishments registrations have been made to the relevant state labour departments under applicable laws in respect of the branches in New Delhi and Ludhiana.

c) Applications for licenses to operate as a transporter of food products and food business operator (cold storage and refrigeration) have been made to the Food and Drug Administration, Maharashtra under the Food Safety and Standards Act, 2006 in respect of Maharashtra.

**IV. Approvals expired and renewal to be applied for**

Nil.

**V. Approvals required but not obtained or applied for**

Nil.

In light of the recent change in name of our Company, our Company has either made or is in the process of making applications to relevant authorities to give effect to such change in our name in the approvals and registrations obtained by us. For further details pertaining to change in our name, see "*History and Certain Corporate Matters*" beginning on page 159.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for the Issue**

Our Board of Directors has approved the Issue pursuant to the resolution passed at their meeting held on May 24, 2018 and our Shareholders have approved the Issue pursuant to a special resolution passed at the extra-ordinary general meeting held on June 4, 2018.

The Offer for Sale has been authorised by the Selling Shareholder pursuant to resolution passed by its board of directors on May 21, 2018. The Selling Shareholder has confirmed that it has held the Equity Shares proposed to be offered pursuant to the Issue for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

**Prohibition by SEBI or other Governmental Authorities**

Our Company, our Promoters (including any persons in control of our Company), our Directors, the members of our Promoter Group, our Group Companies and the Selling Shareholder, have not been debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory or governmental authorities.

None of the companies with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory or governmental authorities.

None of our Directors are associated with the securities market in any manner.

There has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

The listing of any securities of our Company and our Subsidiaries has never been refused at any time by any of the stock exchanges in India or abroad.

**Declaration as Wilful Defaulter**

Neither our Company, nor our Promoters, the relatives of our Promoters (as defined under the Companies Act), Directors, Group Companies, nor the Selling Shareholder have been identified as wilful defaulters in terms of the SEBI ICDR Regulations.

**Eligibility for the Issue**

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Financial Statements prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Issue and all previous issues made in the same Financial Year is not expected to exceed five times the pre-Issue net worth as per the audited balance sheet of our Company for the year ended March 31, 2017;
- The name of our Company was changed to Avana Logistek Limited pursuant to a special resolution passed by our Shareholders at the EGM held on March 26, 2018. However, there has not been any corresponding change in the business activities of our Company. For details of changes in the name of our Company, see "*History and Certain Corporate Matters*" beginning on page 159.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31 are set forth below:

*(in ₹ million, except percentage values)*

| Particulars | Fiscal ended March 31, 2018 | | Fiscal ended March 31, 2017 | | Fiscal ended March 31, 2016 | | Fiscal ended March 31, 2015 | | Fiscal ended March 31, 2014 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated | Standalone | Consolidated |
| Restated Net Tangible Assets | 4,041.67 | 1,592.88 | 3,853.91 | 1,085.96 | 195.92 | 1,711.73 | 202.63 | 1,534.26 | 150.25 | 1,232.33 |
| Restated Monetary Assets | 5.80 | 234.71 | 12.30 | 118.08 | 4.09 | 116.46 | 22.36 | 132.36 | 12.98 | 184.74 |
| Restated Monetary Assets as a % of Restated Net Tangible Assets | 0.14% | 14.73% | 0.32% | 10.87% | 2.09% | 6.80% | 11.03% | 8.63% | 8.64% | 14.99% |
| Restated Pre-tax Operating Profit | 329.67 | 632.08 | 136.46 | 210.28 | 39.44 | 171.42 | 135.81 | 369.80 | 70.92 | 443.66 |
| Restated Net Worth | 4,004.18 | 1,515.85 | 3,827.81 | 1,031.55 | 187.48 | 1,663.52 | 197.02 | 1,510.03 | 141.11 | 1,201.28 |

*Source: Restated Financial Statements*

(i) Net Tangible Assets = Net block of plant, property and equipment + Capital work in progress for plant, property and equipment (including capital advances) + Current assets, loans and advances - Loan funds (Secured loans + Unsecured loans) - Current liabilities and provisions;

(ii) Monetary Assets = Cash in hand + Balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalent;

(iii) 'Restated Pre-tax operating profit'= Restated profit before exceptional items and tax + Finance cost – Other Income; and

(iv) Restated Net Worth = Paid up share capital + Shares pending issuance + Reserves and surplus (Securities premium account + Capital redemption reserve + Capital reserve on consolidation + Statutory reserve + Retained earnings + Foreign currency translation reserve)

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000, failing which, the entire application monies shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application monies at the rate of 15% per annum for the period of delay.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

**DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS 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 THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND AXIS CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 15, 2018 WHICH READS AS FOLLOWS:**

**WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

**1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

**2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH OUR COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY OUR COMPANY AND THE SELLING SHAREHOLDER, WE CONFIRM THAT:**

**(A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

**(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

**(C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013, AS APPLICABLE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

**3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID. – <u>COMPLIED WITH</u>**

**4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>**

**5. WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS. – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>**

**6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO OUR COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF OUR COMPANY 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 OUR COMPANYAND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH, TO THE EXTENT APPLICABLE.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 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 TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE, OUR COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

    **(A) AN UNDERTAKING FROM OUR COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF OUR COMPANY; AND**

    **(B) AN UNDERTAKING FROM OUR COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE ISSUE. – COMPLIED WITH AND NOTED FOR COMPLIANCE**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF OUR COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**

**17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF OUR COMPANY, AS PER THE IND AS 24 AND INCLUDED IN THIS DRAFT RED HERRING PROSPECTUS AND AS CERTIFIED BY PKF SRIDHAR & SANTHANAM LLP, CHARTERED ACCOUNTANTS, BY WAY OF CERTIFICATE DATED JUNE 15, 2018**.

**18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE REGULATIONS (IF APPLICABLE–) - NOT APPLICABLE.**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the 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 this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

**Caution - Disclaimer from our Company, the Selling Shareholder, and the Book Running Lead Managers**

Our Company, the Directors, the Selling Shareholder, and the Book Running Lead Managers accept no responsibility for statements made otherwise than those confirmed in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.avanalogistek.com, would be doing so at his or her own risk. The Selling Shareholder, its respective directors, affiliates, associates and officers accept/undertake no responsibility for any statements other than those specifically undertaken or confirmed by the Selling Shareholder in relation to itself and the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder (to the extent of itself and the Offered Shares), and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

None among our Company, the Selling Shareholder or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, 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 the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

**Price information of past issues handled by the Book Running Lead Managers**

***A. I-Sec***

*Price information of past issues handled by I-Sec:*

**Table 1: Price information of past issues handled**

| Sr. No. | Issue Name | Issue Size (Rs. Mn.) | Issue Price (Rs.) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1 | Housing and Urban Development Corporation Limited | 12,095.70 | 60.00(1) | 19-May-17 | 73.00 | +13.17%, [+2.44%] | +34.67%, [+4.98%] | +35.67%, [+8.05%] |
| 2 | AU Small Finance Bank Limited | 19,125.14 | 358.00 | 10-Jul-17 | 530.00 | +58.76%, [+2.12%] | +65.20%, [+2.23%] | +95.38%,[+8.06%] |
| 3 | Security and Intelligence Services (India) Limited | 7,795.80 | 815.00 | 10-Aug-17 | 879.80 | -3.29%, [+1.17%] | +3.14%, [+5.40%] | +39.12%,[+8.62%] |
| 4 | Matrimony.Com Limited | 4,974.79 | 985.00(2) | 21-Sep-17 | 985.00 | -12.28%, [+0.62%] | -7.64%,[+3.37%] | -16.55%,[-0.27%] |
| 5 | ICICI Lombard General Insurance Company Limited | 57,009.39 | 661.00 | 27-Sep-17 | 651.10 | +3.62%, [+6.25%] | +18.97%,[+8.17%] | +15.36%,[4.06%] |
| 6 | SBI Life Insurance Company Limited | 83,887.29 | 700.00(3) | 03-Oct-17 | 735.00 | -7.56%, [+5.89%] | -0.07%,[+5.84%] | -2.30%,[3.57%] |
| 7 | Newgen Software Technologies Limited | 4,246.20 | 245.00 | 29-Jan-18 | 254.10 | -0.20%, [-5.18%] | +2.51%[-3.51%] | - |
| 8 | Galaxy Surfactants Limited | 9,370.90 | 1,480.00 | 8-Feb-18 | 1,525.00 | +1.14%, [-3.31%] | -0.85%[+1.33%] | - |
| 9 | Aster DM Healthcare Limited | 9,801.4 | 190.00 | 26-Feb-18 | 183.00 | -13.66%,[-3.77%] | -5.29%,[+1.00%] | - |
| 10 | Sandhar Technologies Limited | 5,124.80 | 332.00 | 02-Apr-18 | 346.10 | +19.59%[+4.96%] | - | - |

*(1) Discount of ₹ 2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹ 60.00 per equity share.*
*(2) Discount of ₹ 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹ 985.00 per equity share.*
*(3) Discount of ₹ 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹ 700.00 per equity share.*

*Notes:*

1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

**Table 2: Summary statement of disclosure**

| Financial Year | Total number of IPOs | Total amount of funds raised (₹ million) | Number of IPOs trading at discount - 30th calendar days from listing | | | Number of IPOs trading at premium - 30th calendar days from listing | | | Number of IPOs trading at discount - 180th calendar days from listing | | | Number of IPOs trading at premium - 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2018-19 | 1 | 5,124.80 | - | - | - | - | - | 1 | - | - | - | - | - | - |
| 2017-18 | 9 | 208,306.61 | - | - | 5 | 1 | - | 3 | - | - | **2** | **1** | **2** | **1** |
| 2016-17 | 12 | 160,855.45 | - | - | 3 | 4 | 4 | 1 | - | 1 | 1 | 7 | 2 | 1 |

***B.*** ***Axis***

*Price information of past issues handled by Axis:*

**Table 1: Price information of past issues handled**

| Sr. No. | Issue name | Issue size (₹ millions) | Issue price(₹) | Listing date | Opening price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1 | Sandhar Technologies Limited | 5,124.80 | 332.00 | 02-Apr-18 | 346.10 | +19.59%, [+4.96%] | - | - |
| 2 | Hindustan Aeronautics Limited | 41,131.33 | 1,215.00[!] | 28-Mar-18 | 1,152.00 | -6.96%, [4.98%] | - | - |
| 3 | Bandhan Bank Limited | 44,730.19 | 375.00 | 27-Mar-18 | 499.00 | +31.81%, [3.79%] | - | - |
| 4 | Aster DM Healthcare Limited | 9801.00 | 190.00 | 26-Feb-18 | 183.00 | -13.66%, [-3.77%] | -5.39%, [+1.00%] | - |
| 5 | Khadim India Limited | 5,430.57 | 750.00 | 14-Nov-17 | 730.00 | -10.40%,[+0.06%] | -6.47%, [+3.47%] | +10.21%, [+6.09%] |
| 6 | The New India Assurance Company Limited | 18,933.96 | 800[$] | 13-Nov-17 | 750.00 | -27.91%,[+0.15%] | -7.81%, [+3.08%] | -13.06%, [+5.69%] |
| 7 | Mahindra Logistics Limited | 8,288.84 | 429[^] | 10-Nov-17 | 429.00 | +2.49%,[0.00%] | +9.48%,[+1.50%] | +21.00%, [+3.84%] |
| 8 | Reliance Nippon Life Asset Management Limited | 15,422.40 | 252 | 06-Nov-17 | 295.90 | +3.61%[-3.19%] | +8.12%,[+2.05%] | -4.21, [+1.59%] |

| Sr. No. | Issue name | Issue size (₹ millions) | Issue price(₹) | Listing date | Opening price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 9 | General Insurance Corporation of India | 111,758.43 | 912@ | 25-Oct-17 | 850.00 | -12.92%,[+0.52%] | -13.95%,[+6.52%] | -22.02%, [2.81%] |
| 10 | Indian Energy Exchange Limited | 10,007.26 | 1650 | 23-Oct-17 | 1,500.00 | -8.15%,[+1.39%] | -1.95%,[+7.67%] | -0.71%, [+3.72%] |

*Source: www.nseindia.com*
**Offer Price was ₹ 632.00 per equity share to Eligible Employees*
*@Offer Price was ₹ 855.00 per equity share to Retail Individual Bidders and Eligible Employees*
*^Offer Price was ₹ 387.00 per equity share to Eligible Employees*
*$Offer Price was ₹ 770.00 per equity share to Retail Individual Bidders and Eligible Employees*
*! Offer Price was ₹1,190.00 per equity share to Retail Individual Bidders and Eligible Employees*

*Notes:*
*a. Issue Size derived from Prospectus/final post issue reports, as available.*
*b. The CNX NIFTY is considered as the Benchmark Index.*
*c. Price on NSE is considered for all of the above calculations.*
*d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
*e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

**Table 2: Summary statement of disclosure**

| Financial Year | Total no. of IPOs | Total funds raised (₹ in Million) | Number of IPOs trading at discount on as on 30th calendar days from listing date | | | Number of IPOs trading at premium on as on 30th calendar days from listing date | | | Number of IPOs trading at discount as on 180th calendar days from listing date | | | Number of IPOs trading at premium as on 180th calendar days from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2018-2019* | 1 | 5,124.80 | - | - | - | - | - | 1 | - | - | - | - | - | - |
| 2017-2018 | 18 | 415,433.38 | - | 1 | 9 | 1 | 3 | 5 | - | 2 | 5 | 3 | 2 | 1 |
| 2016-2017 | 10 | 111,377.80 | - | - | 1 | 4 | 2 | 3 | - | - | - | 7 | 1 | 2 |

** The information is as on the date of the document. The information for each of the financial years is based on issues listed during such financial year.*

*Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

**Track record of past issues handled by the Book Running Lead Managers**

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

| Sr. No. | Name of the Book Running Lead Manager | Website |
|---|---|---|
| 1. | I-Sec | www.icicisecurities.com |
| 2. | Axis | www.axiscapital.co.in |

**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 competent to contract under the Indian Contract Act, 1872, 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 insurance funds, and permitted provident funds and pension funds) and to, Eligible NRIs, FPIs and other eligible foreign investors (viz. bilateral and multilateral development financial institution). This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to 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 the 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. 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 or the Selling Shareholder 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 U.S. Securities Act or any state securities laws in the United States, and unless so registered, 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 U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales are made.**

**Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

**Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, 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 this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No.C4-A, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, Maharashtra, 100, Everest, 5$^{th}$ Floor, Marine Drive, Mumbai 400 002.

**Listing**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the 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, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus and the Selling Shareholder will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of the Selling Shareholder with regard to interest on such refunds will be reimbursed by the Selling Shareholder in proportion to the Offered Shares. For the avoidance of doubt, subject to applicable law, the Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to the Selling Shareholder and to the extent of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Bid/Issue Closing Date. Further, the Selling Shareholder confirms that it shall provide assistance to our Company, and the Book Running Lead Managers, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/Issue Closing Date, to the extent of the Offered Shares.

If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Except for listing fees which shall be solely borne by our Company, all Issue expenses will be shared, upon successful completion of the Issue, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale. However, in the event that the Issue is withdrawn by our Company or not completed for any reason whatsoever, all the Issue related expenses will be solely borne by our Company. Any payments by our Company in relation to the Issue expenses on behalf of the Selling Shareholder shall be reimbursed by the Selling Shareholder to our Company inclusive of taxes.

**Consents**

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, the Book Running Lead Managers, the bankers/ lenders to our Company, the Syndicate Members, the Escrow Collection Banks, Refund Banks and the Registrar to the Issue to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under 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, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants, have given their written consent to the inclusion of the reports of the Statutory Auditors on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements, each dated June 6, 2018 and the statement of special tax benefits dated June 12, 2018 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

**Experts to the Issue**

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

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements, each dated June 6, 2018 and the statement of special tax benefits dated June 12, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

**Issue Expenses**

The total expenses of this Issue are estimated to be ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Issue expenses, see "*Objects of the Issue – Issue related Expenses*" beginning on page 89.

Except for listing fees which shall be solely borne by our Company, all Issue expenses will be shared, upon successful completion of the Issue, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale. However, in the event that the Issue is withdrawn by our Company or not completed for any reason whatsoever, all the Issue related expenses will be solely borne by our Company. Any payments by our Company in relation to the Issue expenses on behalf of the Selling Shareholder shall be reimbursed by the Selling Shareholder to our Company inclusive of taxes.

**Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the fee/engagement letter dated June 4, 2018. For details of Issue expenses, see "*Objects of the Issue – Issue related Expenses*" beginning on page 89.

**Commission payable to SCSBs, Registered Brokers, RTAs and CDPs**

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see "*Objects of the Issue – Issue related Expenses*" beginning on page 89.

**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 Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

The Selling Shareholder will reimburse our Company proportionately the expenses incurred on behalf of the Selling Shareholder in this regard, upon the successful completion of the Issue.

**Particulars regarding public or rights issues or any capital issue by our Company during the last five years**

Except as disclosed in "*Capital Structure – Notes to the capital structure – Equity Share capital history our Company*" beginning on page 72, our Company has not made any rights issues or any capital issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Further, our Company has not made any public issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in "*Capital Structure - Issue of Equity Shares and Preference Shares through bonus issue or for consideration other than cash or out of revaluation reserves*" on page 73, our Company has not issued any Equity Shares for consideration otherwise than for cash.

**Commission and Brokerage paid on previous issues**

Since this is the initial public issue of Equity Shares, 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 the Equity Shares since our Company's inception.

**Capital issue during the preceding three years by listed Group Companies and Subsidiaries of our Company**

As on the date of this Draft Red Herring Prospectus, none of our Group Companies and Subsidiaries have their equity shares listed on any stock exchanges in India or overseas.

**Performance vis-à-vis objects – Public/rights issue of our Company and/ or listed Group Companies and/ or Subsidiaries of our Company**

Except as disclosed in "*Capital Structure – Notes to the capital structure – Equity Share capital history our Company*" beginning on page 72, our Company has not made any rights issues.

Further, our Company has not undertaken any previous public issue.

None of our Group Companies or our Subsidiaries have undertaken any public or rights issue of their equity shares in the last ten years preceding the date of this Draft Red Herring Prospectus.

**Outstanding debentures, bonds or redeemable preference shares**

There are no outstanding debentures, bonds or redeemable preference shares issued by our Company as of the date of filing this Draft Red Herring Prospectus.

**Outstanding Preference Shares or other convertible instruments issued by our Company**

Except ESOP Scheme 2018, our Company does not have any outstanding preference shares or other instruments convertible or exchangeable into Equity Shares as on date of this Draft Red Herring Prospectus.

**Partly Paid-up Shares**

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

**Stock Market Data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

**Redressal of Investor Grievances**

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least three years 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 may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

The Board of Directors of our Company has constituted a Stakeholders Relationship Committee for redressal of investor grievances. For details, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on pages 177 and 178.

As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

Our Company has also appointed Namrata Malushte, Company Secretary of our Company as the Compliance Officer for the Issue and she may be contacted in case of any pre-Issue or post-Issue related problems. For details, see "*General Information – Company Secretary and Compliance Officer*" on page 65.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations.

**Changes in Auditors**

Except as stated below, there have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus:

| Name | Date of change | Nature of/ reason for change |
|---|---|---|
| PKF Sridhar & Santhanam LLP | August 16, 2017 | Completion of term as statutory auditor |
| Deloitte Haskins & Sells LLP | August 16, 2017 | Appointment as statutory auditor |

**Capitalisation of Reserves or Profits**

Except as disclosed in "*Capital Structure*" beginning on page 71, our Company has not capitalised its reserves or profits at any time during the last five years.

**Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956**

Except for Shreyas Shipping, our Promoter, there are no listed companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956. Shreyas Shipping has arrangements and mechanisms in place for redressal of investor grievance. The number of investor complaints received during the three years preceding this Draft Red Herring Prospectus (being three fiscals) and the number of complaints disposed off during that period are set out below. Two investor complaints are pending as on March 31, 2018 and the time taken to dispose the respective complaints by Shreyas Shipping mentioned is approximately 10 Working Days from the date of receipt of the complaint.

***Shreyas Shipping***

| Period | Complaints received | Complaints disposed off |
|---|---:|---:|
| Fiscal 2018 | 10 | 8 |
| Fiscal 2017 | 4 | 4 |
| Fiscal 2016 | 12 | 12 |
| **Total** | **26** | **24** |

**Revaluation of Assets**

Our Company has not re-valued its assets since its incorporation.

## SECTION VII: ISSUE INFORMATION

## TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA read with the SCRR, the MoA and AoA, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, including guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Issue.

**Offer for Sale**

The Issue also comprises an Offer for Sale by the Selling Shareholder. Except for listing fees which shall be solely borne by our Company, all Issue expenses will be shared, upon successful completion of the Issue, between our Company and the Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale. However, in the event that the Issue is withdrawn by our Company or not completed for any reason whatsoever, all the Issue related expenses will be solely borne by our Company. Any payments by our Company in relation to the Issue expenses on behalf of the Selling Shareholder shall be reimbursed by the Selling Shareholder to our Company inclusive of taxes.

**Ranking of the Equity Shares**

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA read with the SCRR, the MoA and AoA and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees, upon Allotment of the Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" beginning on page 417.

**Mode of Payment of Dividend**

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the MoA and the AoA and provisions of the Listing Regulations, as applicable. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on pages 200 and 417, respectively.

**Face Value and Issue Price**

The face value of each Equity Share is ₹ 5 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot for the Issue will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] edition of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

**Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" beginning on page 417.

**Option to Receive Securities in Dematerialised Form and Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated April 25, 2017 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated May 10, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

**Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

**Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Mumbai.

**Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the 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 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/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Transfer Agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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 90 days, our 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 mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the Bidders want to change the nomination, they are requested to inform their respective Depository Participant.

**Withdrawal of the Issue**

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and the Selling Shareholder reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/Issue Opening Date but before the Allotment. In the event that our Company and the Selling Shareholder in consultation with Book Running Lead Managers decide not to proceed with the Issue at all, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date, or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Registrar to the Issue shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholder withdraw the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

**Bid/Issue Programme**

| | |
|---|---|
| **BID/ISSUE OPENS ON** | [●][(1)] |
| **BID/ISSUE CLOSES ON** | [●][(2)] |

(1) *Our Company and Selling Shareholder may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

(2) *Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Issue is set out below:

| Event | Indicative Date |
|---|---|
| Bid/Issue Closing Date | [●] |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account | On or about [●] |
| Credit of Equity Shares to demat accounts of Allottees | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about [●] |

**The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company, the Selling Shareholder or the Book Running Lead Managers.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholder, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. In this regard, the Selling Shareholder shall provide reasonable co-operation in relation to the Offered Shares, as may be requested by our Company.**

**Submission of Bids (other than Bids from Anchor Investors):**

| **Bid/Issue Period (except the Bid/Issue Closing Date)** | |
|---|---|
| Submission and Revision in Bids | Only between 10.00 A.M. and 5.00 P.M. IST |
| **Bid/Issue Closing Date** | |
| Submission and Revision in Bids | Only between 10.00 A.M. and 3.00 P.M. IST |

**On the Bid/Issue Closing Date, the Bids shall be uploaded until:**

(i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is in IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, 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. Bids will be accepted only during Monday to Friday (excluding any public/bank holiday). None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids, due to faults in any software/hardware system or otherwise.

Our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**In case of revision in the Price Band, the Bid/Issue Period shall be extended by at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the terminals of the Syndicate Members.**

**Minimum Subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) for at least 10% of the post-Issue Equity Share capital of our Company in terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, in accordance with applicable laws, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws. In case of under-subscription in the Fresh Issue, Equity Shares offered pursuant to the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of Allottees to whom the Equity Shares shall not be less than 1,000.

Any expense incurred by our Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc., for the Equity Shares being offered pursuant to the Issue will be reimbursed by the Selling Shareholder in relation to the Offered Shares to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholder in the Issue, to the extent that the delay is solely attributable to the Selling Shareholder.

**Arrangement for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

**Restrictions, if any, on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 71 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares/debentures of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of the Articles of Association*" beginning on page 417.

## ISSUE STRUCTURE

Public Issue of up to [●] Equity Shares for cash at price of ₹ [●] (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 3,000 million by our Company and an Offer for Sale of up to 4,300,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholder.

The Issue will constitute [●] % of post-Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process.

| Particulars | QIBs[1] | Non Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|
| Number of Equity Shares available for Allotment/allocation*[2] | [●] Equity Shares | Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders | Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non Institutional Bidders |
| Percentage of Issue Size available for Allotment/allocation | Not more than 50% of the Issue shall be available for allocation to QIBs.<br><br>However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs. | Not less than 15% of the Issue | Not less than 35% of the Issue |
| Basis of Allotment/allocation if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion): up to (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above | Proportionate | Proportionate, subject to minimum Bid Lot. For details, see "*Issue Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs*" on page 405 |
| Minimum Bid | Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 in multiples of [●] Equity Shares | Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 in multiples of [●] Equity Shares | [●] Equity Shares |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000 |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | |
| Allotment Lot | [●] Equity Shares and in multiples of one Equity Share thereafter | | |
| Trading Lot | One Equity Share | | |
| Who can apply[4] | Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, | Resident Indian individuals, Eligible NRIs, HUFs (in the name | Resident Indian individuals, Eligible |

| Particulars | QIBs[1] | Non Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|
| | mutual funds registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law, National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies (as defined under Regulation 2(zla) of the SEBI ICDR Regulations) | of Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III Foreign Portfolio Investors | NRIs and HUFs (in the name of Karta) |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[3] | | |

* *Assuming full subscription in the Issue*

(1) *Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Issue Procedure" beginning on page 376.*

(2) *Subject to valid Bids being received at or above the Issue Price. This Issue is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 26(1) of SEBI ICDR Regulations.*

(3) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, see "Section 7: Allotment Procedure and Basis of Allotment" beginning on page 405.*

(4) *In case of joint Bids, the Bid cum Application Form contained only the name of the First Bidder whose name appeared as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder was required in the Bid cum Application Form and such First Bidder was deemed to have signed on behalf of the joint holders.*

Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under "**Part B – General Information Document**", and suitably modified from time to time, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company, the Selling Shareholder and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

## PART A

### Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be allocated to QIBs on a proportionate basis, provided that our Company and Selling Shareholder, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

In accordance with Rule 19(2)(b)(iii) of the SCRR, the Issue will constitute at least 10% of the post Issue paid-up Equity Share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

For Anchor Investor, the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|---|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis | Blue |
| Anchor Investors | White** |

* *Excluding electronic Bid cum Application Form*

** *Anchor Investor Application Forms shall be made available at the offices of the Book Running Lead Managers.*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

**Participation by Promoters, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/Promoter Group/ Book Running Lead Managers**

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the Book Running Lead Managers, nor any persons related to the Book Running Lead Managers (other than Mutual Funds sponsored by entities related to the Book Running Lead Managers), or the Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the 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 such Bid has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. 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**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

**Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. As of the date of this Draft Red Herring Prospectus, the existing individual investment limit for a single FPI is 10% of the paid up capital of our Company and the existing aggregate investment limit of FPIs in our Company is 24% of the paid up capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad-based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority, and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of, it to any persons that are not regulated by an appropriate foreign regulatory authority.

**Bids by SEBI-registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations and the SEBI AIF Regulations prescribe, *inter-alia*, the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of such VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and Category II AIFs cannot invest more than 25% of their respective corpus in one investee company. A Category III AIF cannot invest more than 10% of its corpus in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription pursuant to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up. Further, the shareholding of VCFs, Category I AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided such equity shares have been held for a minimum of one year prior to the date of filing of the draft red herring prospectus.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**Our Company, the Selling Shareholder and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended, must be attached to the Bid cum Application Form of such limited liability partnership. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

**Bids by Banking Companies**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a timebound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

**Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the circulars (No. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI-registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

**Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended (the "**IRDAI Investment Regulations**"), are broadly set forth below:

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of (i) an amount of 10% of the investment assets of a life insurer or general insurer excluding fair value change of certain investment assets as prescribed under the IRDAI Investment Regulations, and (ii) the aggregate amount of investment in debt and investment in equity as calculated under (a), (b) and (c) below, as the case may be.

*(i)* *Limit for the investee company*: (i) 10%* of the outstanding equity shares (face value); or (ii) 10% of the such funds and reserves as specified under the IRDAI Investment Regulations, in case of a life insurer, or 10% of all assets in case of a general insurer or reinsurer or health insurer, as the case may be, whichever is lower;

*(ii)* *Limit for the entire group of the investee company*: Not more than (i) 15% of such funds and reserves as specified under the IRDAI Investment Regulations, in case of a life insurer, or (ii) 15% of all assets in case of a general insurer or reinsurer or health insurer, as the case may be; and

*(iii)* *Limit for the industry sector to which the investee company belongs*: Not more than (i) 15% of such funds and reserves as specified under the IRDAI Investment Regulations, in case of a life insurer, or (ii) 15% of all assets in case of a general insurer or reinsurer or health insurer, as the case may be.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable laws, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million, pension funds with a minimum corpus of ₹250 million and Systemically Important Non-Banking Financial Companies, subject to applicable laws, 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 attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder in consultation with the Book Running Lead Managers in their 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.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, and the Book Running Lead Managers are not liable for any amendments or modification or changes to 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 any Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus and the Prospectus.**

**General Instructions**

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, in the prescribed form;

4. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the relevant Designated Intermediary at the concerned Bidding Center within the prescribed time;

5. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries. If the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

6. Ensure that the signature of the First Bidder, in case of joint Bids, is included in the Bid cum Application Form;

7. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder, whose name should also appear as the first holder of the beneficiary account held in joint names;

8. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

9. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgement;

10. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of

residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

11. Ensure that the Demographic Details are updated, true and correct in all respects;

12. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

13. Ensure that the category and the investor status is indicated;

14. Ensure that in case of Bids under power of attorney, including Bids by limited companies, corporates, trusts, and so on, all relevant documents are submitted;

15. Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

16. Ensure that the depository account is active, the correct DP ID, Client ID and PAN details are mentioned in the Bid cum Application Form and that the name of the Bidder, DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository's database; and

17. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the concerned SCSB via electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid;

18. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not withdraw your Bid or lower the size of your Bid (in terms of number of Equity Shares or Bid amount), if you are a QIB or a Non-Institutional Bidder;

4. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

5. Do not pay the Bid Amount by cheque, demand draft, cash, money order, postal order or stock invest;

6. Do not send Bid cum Application Forms by post, and instead, submit the same only to the relevant Designated Intermediary;

7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

9. 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 the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

10. Do not submit the Bid for an amount more than funds available in your ASBA Account;

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable laws or under your respective constitutional documents or otherwise;

13. Do not deliver Bid cum Application Forms after the time prescribed in the RHP and the Bid cum Application Forms;

14. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;

15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than in the case of minors having valid depository accounts as per Demographic Details provided by the depository); and

16. Do not submit more than five Bid cum Application Forms per ASBA Account.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Payment into Anchor Investor Escrow Account**

Our Company and the Selling Shareholder in consultation with the Book Running Lead Managers will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, in the form prescribed under Part A of Schedule XIII of the SEBI ICDR Regulations, in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] edition of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation.

**The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholder, and the Book Running Lead Managers 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

**Signing of the Underwriting Agreement and Filing with the RoC**

(a) Our Company, the Selling Shareholder and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, the Issue size, and underwriting arrangements and will be complete in all material respects.

**Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:**

**"*Any person who:***

***(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

***(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

**Undertakings by our Company**

Our Company undertakes the following:

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- 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 six Working Days of the Bid/Issue Closing Date will be taken;

- if our Company and/or the Selling Shareholder do not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall also be informed promptly;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- intimation of the credit of the Equity Shares/intimation of refunds to Eligible NRIs shall be despatched within specified time;

- except ESOPs, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.;

- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders and Anchor Investor Application Forms from Anchor Investors; and

- Our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

**Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes and/or confirms the following:

- it is the legal and beneficial holder and has valid and full title to the Equity Shares being offered by it under the Offer for Sale;

- the Equity Shares being offered by it in the Issue are fully paid and shall be in dematerialized form prior to filing of the Red Herring Prospectus;

- the Offered Shares are eligible to be offered for sale pursuant to the Issue as per the provisions of Regulation 26(6) of the SEBI ICDR Regulations;

- the Equity Shares being offered by it pursuant to the Issue are free and clear of any encumbrances and shall be transferred to the Bidders within the time specified under applicable law; and

- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges in accordance with applicable law.

**Utilisation of Issue Proceeds**

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the proceeds from the Fresh Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Fresh Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested; and

- continue to be disclosed till the time any part of the proceeds from the Fresh Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA read with the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.*

### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the Book Running Lead Managers(s) to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

#### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

#### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

#### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

#### 2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An

Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue Price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

## 2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

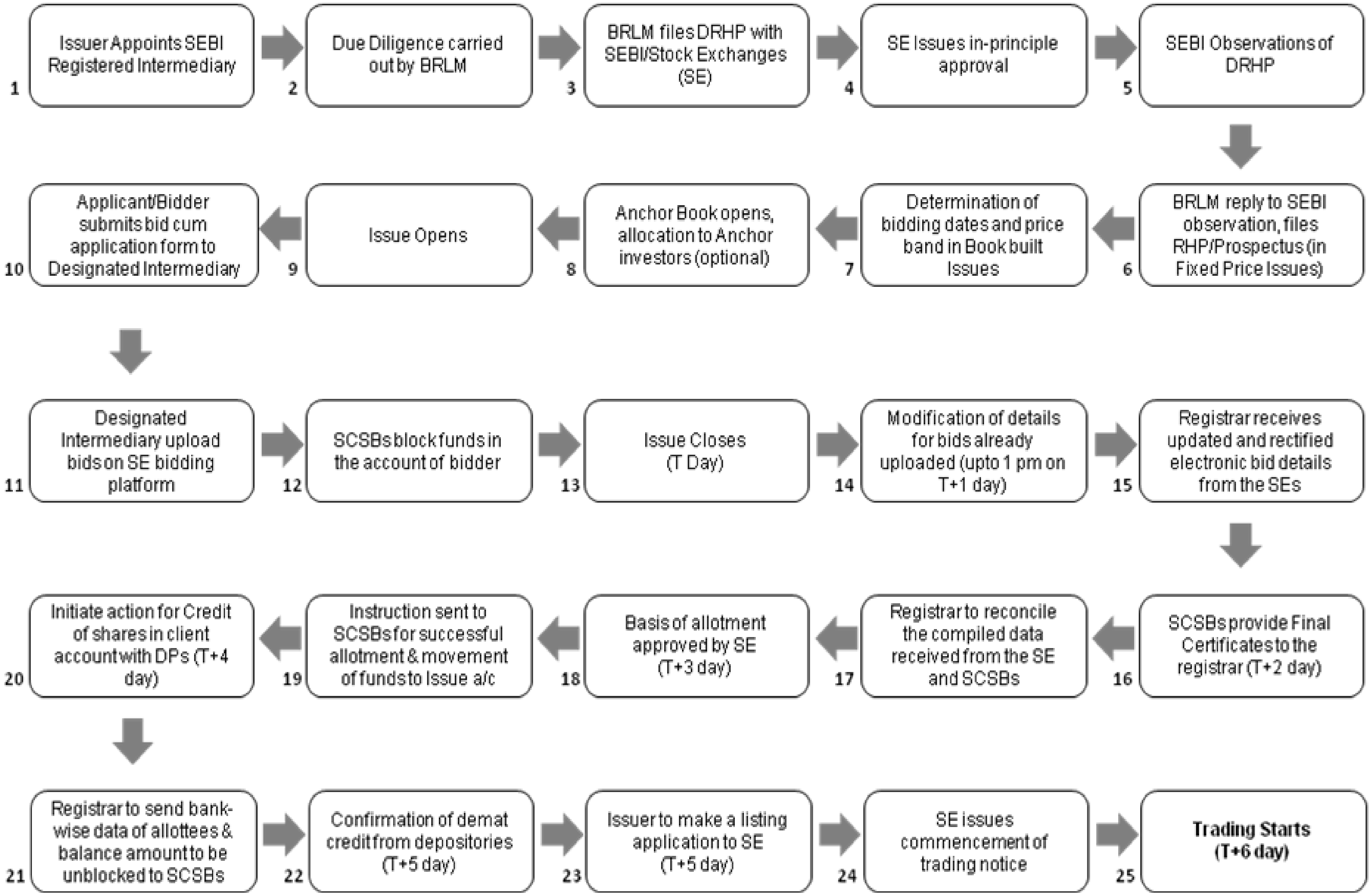
## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    i. Step 7: Determination of Issue Date and Price

    ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

## SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

***Each Bidder/Applicant should check whether it is eligible to apply under applicable law.*** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors**,** Bidding under the NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding Centers and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered Office and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

| Category | Colour of the Bid cum Application Form |
| --- | --- |
| Resident Indian, Eligible NRIs applying on a non-repatriation basis | White |
| NRIs, FVCIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals Bidding under the QIB), FPIs, on a repatriation basis | Blue |
| Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category | As specified by the Issuer |

Securities issued in an IPO can only be in dematerialised form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

**4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

## Application Form – For Residents

TEAR HERE

**COMMON BID CUM APPLICATION FORM** | **XYZ LIMITED - INITIAL PUBLIC ISSUE - R** Address : ................ Contact Details: ................ CIN No ........ | **FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ........................

Bid cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE |
|---|---|
| | |
| **SUB-BROKER'S / SUB-AGENT'S STAMP & CODE** | **ESCROW BANK/SCSB BRANCH STAMP & CODE** |
| | |
| **BANK BRANCH SERIAL NO.** | **SCSB SERIAL NO.** |
| | |

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE / FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) | | | |
|---|---|---|---|---|---|
| | | Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
| | 8 \| 7 \| 6 \| 5 \| 4 \| 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. CATEGORY**

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

**6. INVESTOR STATUS**

- ☐ Individual(s) - IND
- ☐ Hindu Undivided Family* - HUF
- ☐ Bodies Corporate - CO
- ☐ Banks & Financial Institutions - FI
- ☐ Mutual Funds - M F
- ☐ Non-Resident Indians - NRI (Non-Repatriation basis)
- ☐ National Investment Fund - NIF
- ☐ Insurance Funds - IF
- ☐ Insurance Companies - IC
- ☐ Venture Capital Funds - VCF
- ☐ Alternative Investment Funds - AIF
- ☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

**7. PAYMENT DETAILS** PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

| 8A. SIGNATURE OF SOLE/ FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue | |
| | 1) | |
| | 2) | |
| Date : | 3) | |

TEAR HERE

LOGO

**XYZ LIMITED**
**INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Broker/SCSB/ DP/RTA**

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Amount Paid (₹) | | | |

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

**Acknowledgement Slip for Bidder**

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

## Application Form – For Non – Residents

TEAR HERE

| COMMON BID CUM APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR<br>Address : .................. Contact Details: .................. CIN No .............. | FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS |
|---|---|---|

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ..........................

Bid cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE |
|---|---|
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. |

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE / FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) | | | |
|---|---|---|---|---|---|
| | | Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
| | 8 \| 7 \| 6 \| 5 \| 4 \| 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. CATEGORY**

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

**6. INVESTOR STATUS**

| | |
|---|---|
| NRI | Non-Resident Indian(s) (Repatriation basis) |
| FII | FII or Sub-account not a Corporate/Foreign Individual |
| FIISA | FII Sub-account Corporate/Individual |
| FVCI | Foreign Venture Capital Investor |
| FPI | Foreign Portfolio Investors |
| OTH | Others (Please Specify)______ |

**7. PAYMENT DETAILS** PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

| 8A. SIGNATURE OF SOLE/ FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue | |
| | 1) | |
| | 2) | |
| Date : ________ | 3) | |

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

| XYZ LIMITED<br>INITIAL PUBLIC ISSUE - NR | Acknowledgement Slip for Broker/SCSB/ DP/RTA | Bid cum Application Form No. |
|---|---|---|

DPID / CLID

PAN of Sole / First Bidder

| Amount paid (₹ in figures) | Bank & Branch | Stamp & Signature of SCSB Branch |
|---|---|---|
| ASBA Bank A/c No. | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Amount Paid (₹) | | | |

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

***"Any person who:***

***(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

***(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

***shall be liable for action under Section 447."***

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective CDP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things for sending allocation advice or unblocking of ASBA or for other correspondence(s) related to an Issue.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Book Running Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

(b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders/Applicants may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If the Discount is applicable in the Issue, the RIBs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS, NACH or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders:**

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the ASBA Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders Bidding through a Designated Intermediary (other than a SCSB) should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.

(h) Bidders Bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form, each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs Bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

### 4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

### 4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder, ASBA Account number in case of ASBA Bidders and unique transaction reference number and the name of the relevant bank in case of Anchor Investors.

Further, the investor shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

## 4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

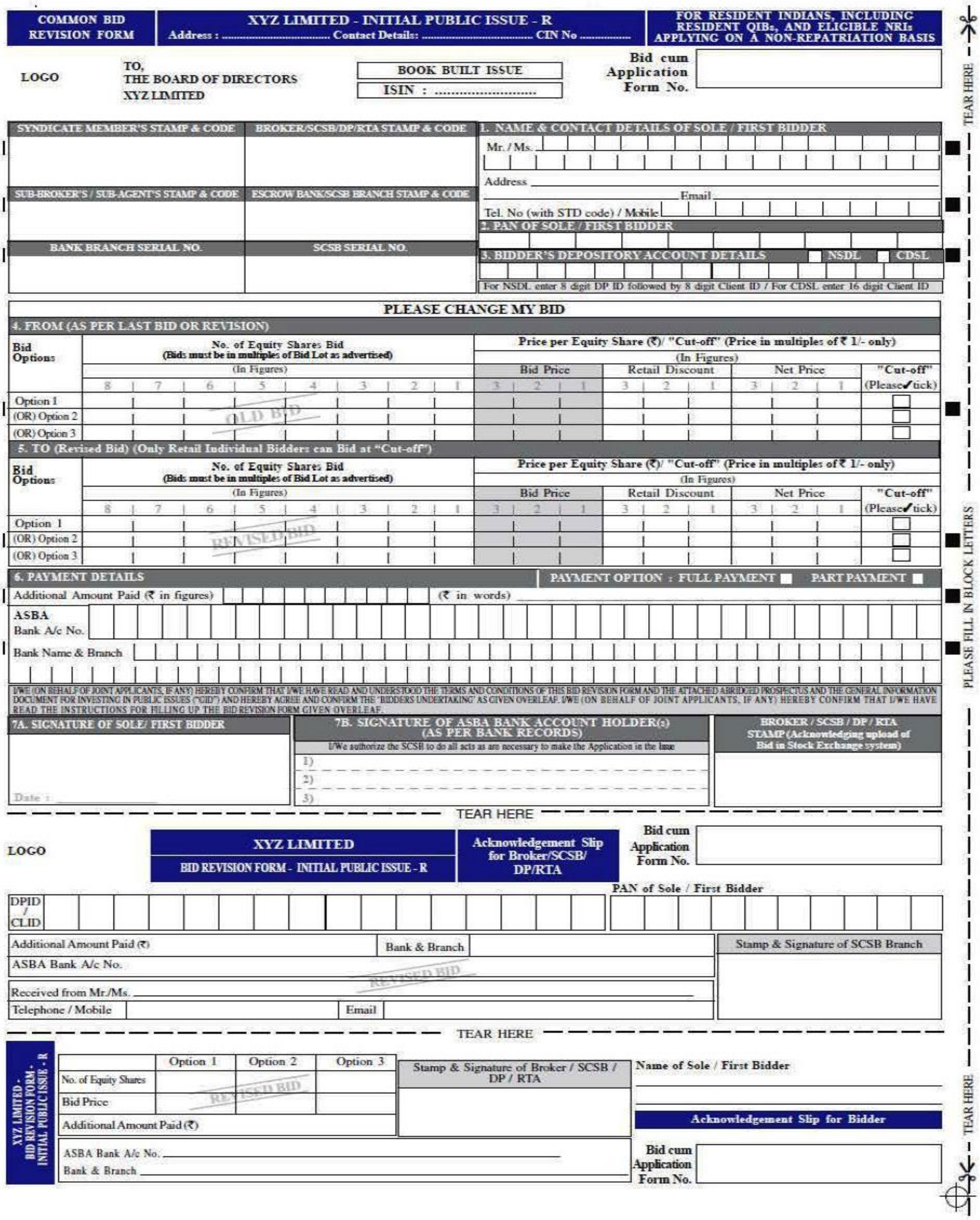
(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIBs may revise their bids or withdraw their Bids till the Bid/Issue Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : ........................ Contact Details: ........................ CIN No ..............

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ........................

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| | 8 7 6 5 4 3 2 1 | 3 2 1 | 3 2 1 | 3 2 1 | |
| Option 1 | | | | | |
| (OR) Option 2 | OLD BID | | | | |
| (OR) Option 3 | | | | | |

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| | 8 7 6 5 4 3 2 1 | 3 2 1 | 3 2 1 | 3 2 1 | |
| Option 1 | | | | | |
| (OR) Option 2 | REVISED BID | | | | |
| (OR) Option 3 | | | | | |

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | REVISED BID | |
| Additional Amount Paid (₹) | | | |

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3**: **NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid where possible shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of Basis of Allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

#### 4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer and the Selling Shareholder in consultation with the Book Running Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### 4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIBs and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue.

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.3

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

**4.4 SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM**

4.4.1 **Bidders may submit completed Bid cum application form/Revision Form in the following manner:-**

| Mode of Application | Submission of Bid cum Application Form | |
|---|---|---|
| Anchor Investors Application Form | 1) | To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form |
| ASBA Form | (a) | To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centers or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location |
| | (b) | To the Designated Branches of the SCSBs, where the ASBA Account is maintained |

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

## SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

## 5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

## 5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

## 5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the Book Running Lead Managers at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centers during the Bid/Issue Period.

## 5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Issue Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of Basis of Allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

## 5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum Application Forms accepted but not uploaded by the Designated Intermediary.

Any RIB whose Bid has not been considered for Allotment, due to failures on the part of SCSB may seek redressal from the concerned SCSB within three months of the listing date in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

(b) The Book Running Lead Managers and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) Book Running Lead Managers and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected which have been detailed at various placed in this GID:-

a. Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

b. Bids/Applications by OCBs;

c. In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

d. In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

e. Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

f. Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

g. PAN not mentioned in the Bid cum Application Form/Application Forms, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

h. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

i. Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

j. Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

k. Bids/Applications at Cut-off Price by NIBs and QIBs;

l. The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

m. Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

n. Submission of more than five ASBA Forms/Application Forms as through a single ASBA Account;

o. Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;

p. Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

q. Bids not uploaded in the Stock Exchanges bidding system;

r. Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

s. Where no confirmation is received from SCSB for blocking of funds;

t. Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

u. Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collection Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Issue;

v. Bids/Applications not uploaded on the terminals of the Stock Exchanges; and

w. Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

**5.6 BASIS OF ALLOCATION**

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and the Selling Shareholder and in consultation with the Book Running Lead Managers and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under-subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building Process and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

| Bid quantity | Bid amount (₹) | Cumulative quantity | subscription |
|---:|---:|---:|---:|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. Our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, will finalise the offer price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

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

(b) In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIBs

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

**7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.3(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

**7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer in consultation with the Book Running Lead Managers, subject to compliance with the following requirements:

   i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

   ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

   iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

      - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
      - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
      - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the Book Running Lead Managers, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders'/Applicants' Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Issue Closing Date.

### 8.2 GROUNDS FOR REFUND

#### 8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a Fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

#### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

#### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

### 8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH**—National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

| Term | Description |
|---|---|
| Allotment/Allot/Allotted | The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges |
| Allottee | An Bidder/Applicant to whom the Equity Shares are Allotted |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus. |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Portion | Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the Book Running Lead Managers, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors |
| Application Supported by Blocked Amount/ASBA | An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| ASBA Account | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder |
| ASBA Bidder | All Bidders/Applicants except Anchor Investors |
| Banker(s) to the Issue/Escrow Collection Bank(s)/Collecting Banker | The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer |
| Basis of Allotment | The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue |
| Bid | An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the context requires |
| Bid/Issue Closing Date | Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date |

| Term | Description |
|---|---|
| Bid/Issue Opening Date | The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Opening Date |
| Bid/Issue Period | Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period |
| Bidder/Applicant | Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant |
| Book Built Process/Book Building Process/Book Building Method | The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made |
| Broker Centers | Broker centers notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges. |
| BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM | The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM |
| Business Day | Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays) |
| CAN/Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period. |
| Cap Price | The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Collecting Depository Participant or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Cut-off Price | Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price |
| DP | Depository Participant |
| DP ID | Depository Participant’s Identification Number |
| Depositories | National Securities Depository Limited and Central Depository Services (India) Limited |
| Demographic Details | Details of the Bidders/Applicants including the Bidder’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details |

| Term | Description |
|---|---|
| Designated Branches | Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants.<br><br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Date | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale |
| Designated Intermediaries | Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.<br><br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer |
| Discount | Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009. |
| Draft Prospectus | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band |
| Employees | Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus |
| Equity Shares | Equity Shares of the Issuer |
| Escrow Account | Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NACH/NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid |
| Escrow Agreement | Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof |
| Escrow Collection Bank(s) | Refer to definition of Banker(s) to the Issue |
| FCNR Account | Foreign Currency Non-Resident Account |
| First Bidder/Applicant | The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form |
| Fixed Price Issue/Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made |

| Term | Description |
|---|---|
| Floor Price | The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto |
| FPIs | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| FPO | Further public offering |
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 |
| IPO | Initial public offering |
| Issue | Public issue of Equity Shares of the Issuer including the Offer for Sale, if applicable |
| Issue Price | The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s) |
| Issuer/Bank | The Issuer proposing the initial public offering/further public offering as applicable |
| Maximum RIB Allottees | The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot. |
| MICR | Magnetic Ink Character Recognition – nine-digit code as appearing on a cheque leaf |
| Mutual Fund | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |
| Mutual Funds Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form |
| NACH | National Automated Clearing House |
| NECS | National Electronic Clearing Service |
| NEFT | National Electronic Fund Transfer |
| NRE Account | Non-Resident External Account |
| NRI | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares |
| NRO Account | Non-Resident Ordinary Account |
| Net Issue | The Issue less reservation portion |
| Non-Institutional Bidders or NIBs | All Bidders/Applicants registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Category | The portion of the Issue being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI |

| Term | Description |
|---|---|
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Offer for Sale | Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder |
| Other Investors | Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| Price Band | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date | The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price |
| Prospectus | The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information |
| Public Issue Account | A bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date |
| QIB Category | The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis |
| Qualified Institutional Buyers or QIBs | As defined under SEBI ICDR Regulations, 2009 |
| RTGS | Real Time Gross Settlement |
| Red Herring Prospectus/RHP | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus |
| Refund Account(s) | The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made |
| Refund Bank(s) | Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Registered Broker | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate |

| Term | Description |
|---|---|
| Registrar to the Issue/RTO | The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form |
| Reserved Category/Categories | Categories of persons eligible for making application/Bidding under reservation portion |
| Reservation Portion | The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009 |
| Retail Individual Bidders/RIBs | Investors who applies or bids for a value of not more than ₹ 200,000 |
| Retail Individual Shareholders | Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000. |
| Retail Category | The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis. |
| Revision Form | The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s) |
| RoC | The Registrar of Companies |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations, 2009 | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| Self Certified Syndicate Bank(s) or SCSB(s) | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html |
| Specified Locations | Bidding centers where the syndicate shall accept ASBA Forms from Bidders |
| Stock Exchanges/SE | The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed |
| Syndicate | The Book Running Lead Manager(s) and the Syndicate Members |
| Syndicate Agreement | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members |
| Syndicate Member(s)/SM | The Syndicate Member(s) as disclosed in the RHP/Prospectus |
| Underwriters | The Book Running Lead Manager(s) and the Syndicate Member(s) |
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date |
| Working Day | All trading days of Stock Exchanges, excluding Sundays and holidays for commercial banks in Mumbai. |

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURTIES

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. The Union Cabinet has recently approved phasing out the FIPB, as provided in the press release dated May 24, 2017. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post-facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, DIPP shall identify the Competent Authority.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the FDI Policy by way of circular no D/o IPP F. No. 5(1)/2017-FC-1 dated the August 28, 2017, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (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 SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the U.S. 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 U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, and the Book Running Lead Manages 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

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.*

**Share Capital**

Article 3 provides that the Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company with power of the Board of Directors to sub-divide, consolidate and with power from time to time, issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and determined in accordance with the Act and / or Articles of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be provided under the Act and / or Articles of the Company and upon the sub-division of shares apportion the right to participate in profits in any manner as between the shares resulting from sub-division.

Article 4 provides that subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, 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, at a discount and at such time as they may from time to time think fit and with sanction of the Company in the general meeting to give to any person or persons the option or right to call for any Shares either at par (subject to compliance with the provisions of the Act) premium during such time and for such consideration as the Board thinks fit. Provided that the option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in general meeting.

Article 5 provides that subject to the provisions of the Act and these Articles, Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

Article 6 provides that the Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

(a) Equity share capital:

  (i) with voting rights; and/or

  (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference share capital

Article 12 provides that:

(1) if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(2) to every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

Article 13 provides that the rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Article 13A provides that subject to the provisions of the Act and the Rules and these Articles any preference shares may be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by Special Resolution, determine.

Article 14 provides that subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

Article 15 provides that:

(1) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered:

   (a) to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-

      (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

      (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right

      (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the Members and the Company.

   (b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the relevant rules or other statutory provisions as applicable; or

   (c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

(2) Notwithstanding anything contained in sub-clause (i) above, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in sub-clause (a) of sub-clause (i) above) 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 resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of sub-clause (1) above shall be deemed to extend the time within which the offer should be accepted; or to authorise any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Article 15A provides that any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privilege or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the general meeting by a Special Resolution.

Article 16 provides that subject to and in accordance with the Act and the Rules, the Company shall have the power to issue, offer and allot Warrants with an option to convert into equity shares / any other securities on such terms and conditions as may be deemed fit by the Board of Directors.

Article 17 provides that subject to and in accordance with the Act and the Rules, the Company shall have the power, to issue sweat equity shares to employees and/or directors on such terms and conditions and in such manner as may be prescribed by law from time to time.

Article 58 provides that subject to the provisions of the Act, the Company may, by ordinary resolution:

(a) Increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

(c) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Article 59 provides where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) Such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.

Article 60 provides that the Company may, by special resolution, reduce in any manner and in accordance with the provisions of the Act and the Rules:

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any securities premium account; and/or

(d) any other reserve in the nature of share capital.

**Share Certificate**

Article 7 provides that:

(1) Subject to provisions of the Act, every member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Board so approve (upon paying such fee as the Board may determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.

(2) Every certificates of Shares shall be under the common seal of the Company, if any or signed by two directors or by a director and the Company Secretary, and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe and approve.

(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate and delivery of such certificate of shares to one or several joint holders shall be sufficient delivery to all such holders.

Article 8 provides that a person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. Notwithstanding anything contained in these Articles, and subject to the provisions of law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the Shares, which are in dematerialized form.

Article 9 provides that if any share certificate be worn out, defaced, mutilated or torn or is surrendered to the Company or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under these Articles shall be issued on payment of fees if the Board so decide, or on payment of such fees (not exceeding such fee as may be prescribed under law) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Board shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act,1956 or any other act, or rules applicable thereof in this behalf.

Article 10 provides that the provisions of these Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

**Dematerialization**

Article 7A provides that:

(i) Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.

(ii) Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

(iii) Notwithstanding anything contained herein, in the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such shares or other marketable securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Further, the provisions relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised.

**Underwriting Commission and brokerage**

Article 11 provides that:

1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

**Lien and Forfeiture**

Article 18 provides that:

(1) 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 a fixed time in respect of such Shares/debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect.

(2) Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures.

Article 19 provides that the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made-

(a) Unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

Article 20 provides that:

(1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

Article 21 provides that:

(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Article 22 provides that in exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

Article 23 provides that the provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Article 44 provides that if a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

Article 45 provides that the notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

Article 46 provides that if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Article 47 provides that neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

Article 48 provides that when any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Article 49 provides that the forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

Article 50 provides that:

(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Article 51 provides that:

(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

Article 52 provides that:

(1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(3) The transferee shall thereupon be registered as the holder of the share; and

(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

Article 53 provides that upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

Article 54 provides that upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

Article 55 provides that the Board may, subject to the provisions of the Act, accept a surrender of any shares from or by any member desirous of surrendering them on such terms as they think fit.

Article 56 provides that the provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Article 57 provides that the provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Calls on Shares**

Article 24 provides that:

(1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(4) A call may be revoked or postponed at the discretion of the Board.

Article 25 provides that a call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

Article 26 provides that the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 27 provides that:

(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 28 provides that:

(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 29 provides that:

(a) The Board-

    (i) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

    (ii) 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 Board agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

(b) The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall, to the extent relevant and applicable, apply *mutatis mutandis* to the calls on debentures of the Company.

Article 30 provides that if by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

Article 31 provides that all calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

Article 32 provides that neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

Article 33 states that the provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Transfer and Transmission of Shares**

Article 34 provides that:

(1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The instrument of transfer of any Share held in physical form in the Company shall be in writing, and as prescribed under the Act, and all provisions of the Act shall be duly complied with, in respect of all transfer of shares and registration thereof.

(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Article 35 provides that subject to these Articles, the Board may, subject to the right of appeal conferred by the Act and other provisions of any other law for the time being in force, decline to register –

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

Further, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided further that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on Shares.

Article 36 provides that in case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless:

(a) The instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) The instrument of transfer is in respect of only one class of shares.

Article 37 provides that on giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Article 38 provides that the provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Article 38 A provides that the Company shall adopt a common form of transfer for all shares.

Article 38 B provides that no fee shall be charged for registration of transfer, transmission, nomination, probate, succession certificate, letters of administration, or certificate of birth, death or marriage, power of attorney or other similar documents.

Article 39 provides that:

(1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 40 provides that:

(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(a) To be registered himself as holder of the share; or

(b) To make such transfer of the share as the deceased or insolvent member could have made.

(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

Article 41 provides that:

(1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Article 42 provides that a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

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, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Article 43 provides that the provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**General Meetings**

Article 65 provides that all general meetings other than annual general meeting shall be called extraordinary general meeting.

Article 66 provides that the Board may, whenever it thinks fit, call an extraordinary general meeting.

Article 67 provides that:

(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

(3) The Quorum for a general meeting shall be as provided in the Act.

Article 68 provides that the Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

Article 69 provides that if there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

Article 70 provides that if at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, choose one of their members to be Chairperson of the meeting.

Article 71 provides that on any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

Article 72 provides that:

(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –

  (a) is, or could reasonably be regarded, as defamatory of any person; or

  (b) is irrelevant or immaterial to the proceedings; or

  (c) is detrimental to the interests of the Company.

(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

Article 73 provides that:

(1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

  (a) be kept at the registered office of the Company; and

  (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.

Article 74 provides that the Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

Article 75 provides that:

(1) The Chairperson may, with the consent of any meeting at which a quorum is present, and if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Voting Rights**

Article 76 provides that subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands, every member present in person shall have one vote; and

(b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

Article 77 provides that a member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Article 78 provides that:

(1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Article 79 provides that a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

Article 80 provides that subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Article 81 provides that any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

Article 82 provides that no member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

Article 83 provides that a member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

Article 84 provides that any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Article 85 provides that:

(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

(2) The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

Article 86 provides that an instrument appointing a proxy shall be in the form as prescribed in the Act.

Article 87 provides that a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Board of Directors**

Article 88 provides that unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (Three) and shall not be more than 15 (Fifteen).

Article 89 provides that:

(1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

(2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

Article 90 provides that:

(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act.

(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

    (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

    (b) in connection with the business of the Company.

Article 91 provides that all cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Article 92 provides that:

(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

Article 93 provides that:

(1) The Board may appoint an alternate director, not being a person holding any alternate directorships or any other director in the company or holding directorship in the same company, to act for a director(hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(2) The alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Article 94 provides that:

(1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

(2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

(3) (a) Subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, so long as moneys lent and advanced to the company, under any arrangement or agreement, whether secured by shares / debentures / securities convertible into shares, any other security or otherwise (hereinafter

collectively in this Article referred to as "the Securities"), by Finance Companies, Bodies, Finance Corporations, Credit Corporations, Banks, Insurance Corporations, Public Financial Institutions, any other Financial Institutions, Non-Banking Finance Companies, Non-Banking Finance Institutions, Companies, Bodies Corporate, etc. (hereinafter collectively in this Article referred to as "the Lender") shall remain due and owing by the Company to such Lender, the said Lender shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company.

(b) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the lender and shall ipso facto vacate such office immediately after the moneys owing by the Company to the Lender is paid off.

(c) The Lender at any time and from time to time remove from such office any person so appointed and may at the time of such removal and also in the case of death or resignation of the person so appointed any other person in his place and also fill any vacancy which may occur as a result of such director ceasing to hold office for any reason whatsoever, such appointment or removal shall be made in writing on behalf of the lender appointing such Nominee Director/s or any person and shall be delivered to the Company at its registered office.

(d) The Nominee Director/s shall neither be required to hold any qualification share in the Company to qualify him for the office of a Director nor shall be liable to retire by rotation.

(e) The Nominee Director/s shall notwithstanding anything to the contrary herein, maintain confidentiality of all the information of the Company received by him.

(f) The Nominee Director/s shall not be eligible for appointment/re-appointment or continue as a Director and shall ipso facto vacate the office immediately as a director of a company, if —

(i) he is of unsound mind and stands so declared by a competent court;

(ii) he is an undischarged insolvent;

(iii) he has applied to be adjudicated as an insolvent and his application is pending;

(iv) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence

(v) he has wilfully defaulted or has been disqualified under the Act or Rules framed thereunder or under any Law for the time being in force

(g) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and / or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings.

Article 95 provides that the Company may, subject to the provisions of the Act, by ordinary resolution of which special Notice has been given, remove any Director before the expiration or his period of office after giving him a reasonable opportunity of being heard and may by ordinary resolution of which Special Notice has been given appoint another person instead, if the Director so removed was appointed by the Company in general meeting or by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provisions of below mentioned Article.

Article 96 provides that if any Director appointed by the Company in general meeting vacates office as a Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy be appointing there to any person who has been removed from his office of Director under the preceding Article.

Article 97 provides that the Board (including any Committee thereof) may, from time to time, at its discretion, subject to the provisions of the Act, raise or borrow from the Board or from elsewhere and secure the payment of any sum or sums of moneys for the purposes of the Company; provided that the Board shall not, without the sanction of the Company in general meeting by a special resolution, borrow such sums or moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeding the aggregate for the time being of the paid-up share capital of the Company free reserves and securities premium, that is too say, reserve not set aside for any specific purpose.

Article 98 provides that the management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorised to exercise and do, and, not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Article 99 provides that:

(1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

(3) The quorum for a Board meeting shall be as provided in the Act.

(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

Article 100 provides that:

(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

Article 101 provides that the continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

Article 102 provides that:

(1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

Article 103 provides that:

(1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

Article 104 provides that:

(1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

Article 105 provides that:

(1) A Committee may meet and adjourn as it thinks fit.

(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

Article 106 provides that all acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

Article 107 provides that save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Article 108 provides that:

(a) Subject to the provisions of the Act,- A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**Registers**

Article 109 provides that the Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act, the Rules and the Depositories Act, 1996. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

The Register and Index of Beneficial Owners maintained by a Depository shall be deemed to be the Register and Index of Members and security holders, with details of the shares held in physical and dematerialized forms in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members Resident in that State or Country.

Article 110 provides that:

(1) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(2) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

**Dividends and Reserve**

Article 112 provides that the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

Article 113 provides that subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

Article114 provides that:

(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Article 115 provides that:

(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Article 116 provides that:

(1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

Article 117 provides that:

(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Article 118 provides that any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Article 119 provides that no dividend shall bear interest against the Company.

Article 120 provides that the waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Where the Company has declared a dividend but which has not been paid or claimed within thirty days from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall, within seven days from the date of expiry of the thirty day period, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".

The Company shall transfer any money transferred to the unpaid dividend account of the Company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Investor Education and Protection Fund established under the Act. No unpaid or unclaimed dividend shall be forfeited by the Board.

Further, there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law provided that a recognized stock exchange may provisionally admit to dealing in the securities of the Company, provided that the Company agrees to amend the Articles of Association at its next annual general meeting in order to fulfil the foregoing requirements and agrees to act in the meantime strictly in accordance with the provisions of this Article.

**Winding Up**

Article 123 provides that subject to the applicable provisions of the Act and the Rules made thereunder:

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**Indemnity and Insurance**

Article 124 provides that:

(a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key management personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## SECTION IX: OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 A.M. and 5 P.M. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

**A. Material Contracts for the Issue**

1. Issue Agreement dated June 15, 2018, between our Company, the Selling Shareholder, and the Book Running Lead Managers.

2. Registrar Agreement dated June 15, 2018, between our Company, the Selling Shareholder and the Registrar to the Issue.

3. Cash Escrow Agreement dated [●], 2018 between our Company, the Selling Shareholder, the Registrar to the Issue, the Book Running Lead Managers, and the Bankers to the Issue.

4. Share Escrow Agreement dated [●], 2018 between our Company, the Selling Shareholder and the Share Escrow Agent.

5. Syndicate Agreement dated [●], 2018 between our Company, the Selling Shareholder the Book Running Lead Managers and the Syndicate Members.

6. Underwriting Agreement dated [●], 2018 between our Company, the Selling Shareholder and the Underwriters.

**B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificates of incorporation dated March 17, 1994, December 29, 2004, May 6, 2005 and April 17, 2018.

3. Share purchase agreement dated March 20, 2017 between our Company, Transworld Holdings and Avana Global.

4. Resolution passed by the Board of Directors in relation to the Issue and other related matters dated May 24, 2018.

5. Resolution passed by our Shareholders in relation to the Issue and other related matters dated June 4, 2018.

6. Resolution passed by the board of directors of Transworld Holdings in relation to the Offer for Sale of the Offered Shares dated May 21, 2018 along with consent letter dated May 22, 2018 in respect of the Offered Shares.

7. Copies of the annual reports of our Company for the Fiscals 2018, 2017, 2016, 2015 and 2014.

8. Agreement dated April 26, 2018 entered into with Ramakrishnan Sivaswamy Iyer, Executive Chairman of our Company.

9. Agreement dated March 1, 2018 entered into with Sundaresan Varadarajan, Managing Director of our Company.

10. Agreement dated April 26, 2018 entered into with Ritesh Sivaswamy Ramakrishnan, Joint Managing Director of our Company.

11. Agreement dated May 1, 2018 entered into with Gopalakrishnan Nanjundaeswaran, Additional Director – Strategic Finance of our Company.

12. The examination reports of the Statutory Auditors each dated June 6, 2018 in relation to our Company's Restated Consolidated Financial Statements and Restated Standalone Financial Statements, respectively.

13. The Statement of special tax benefits dated June 12, 2018, from the Statutory Auditors.

14. Consent dated June 15, 2018, from the Statutory Auditors namely, M/s Deloitte Haskins & Sells LLP, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements, each dated

June 6, 2018 and the statement of special tax benefits dated June 12, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U. S. Securities Act.

15. Letters of consent from our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Indian Legal Counsel to our Company, Indian Legal Counsel to the Book Running Lead Managers, the Book Running Lead Managers, the bankers/ lenders to our Company, Bankers to the Issue, and the Registrar to the Issue, as referred to in their specific capacities.

16. Copies of report titled “Market Assessment of India’s Logistics Industry with Focus on Integrated Container Logistics” issued by CRISIL dated May 2018 and consent letter dated June 8, 2018 issued by CRISIL in respect of such report.

17. Due diligence certificate dated June 15, 2018 addressed to SEBI from the Book Running Lead Managers.

18. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

19. Tripartite agreement dated April 25, 2017 between our Company, NSDL and the Registrar to the Issue.

20. Tripartite agreement dated May 10, 2018 between our Company, CDSL and the Registrar to the Issue.

21. SEBI observation letter no. [●], dated [●].

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance with the provisions contained in the Companies Act and other applicable laws.

# DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the disclosures and statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY ALL THE DIRECTORS OF OUR COMPANY**

| | |
|---|---|
| ________________________ | **Ramakrishnan Sivaswamy Iyer**<br>(*Executive Chairman)* |
| ________________________ | **Sundaresan Varadarajan**<br>(*Managing Director*) |
| ________________________ | **Ritesh Sivaswamy Ramakrishnan**<br>(*Joint Managing Director*) |
| ________________________ | **Gopalakrishnan Nanjundaeswaran**<br>(*Additional Director – Strategic Finance*) |
| ________________________ | **Captain Leslie Reis**<br>(*Additional Non-Executive Director*) |
| ________________________ | **Captain Milind Kashinath Patankar**<br>(*Additional Non-Executive Director*) |
| ________________________ | **Amitabha Jugalkishore Ghosh**<br>(*Independent Director*) |
| ________________________ | **Daniel Trevelyn Joseph**<br>(*Independent Director*) |
| ________________________ | **Hariharan Krishnier Padmanabhan**<br>(*Independent Director*) |
| ________________________ | **Rani Ajit Jadhav**<br>(*Independent Director*) |
| ________________________ | **Anil Kumar Gupta**<br>(*Additional Independent Director*) |
| ________________________ | **Maya Swaminathan Sinha**<br>(*Additional Independent Director*) |

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

| | |
|---|---|
| ________________________ | **Sanjay Bohra**<br>(*Chief Financial Officer*) |

Date: June 15, 2018 Place: Mumbai

## DECLARATION

We, Transworld Holdings Limited, Mauritius, hereby confirm that all statements and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to ourselves, as a Selling Shareholder and the Offered Shares, are true and correct. We assume no responsibility for any other statements including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**Signed by Transworld Holdings Limited**

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Name: Ritesh Sivaswamy Ramakrishnan

Designation: Director

Date: June 15, 2018