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ABS MARINE SERVICES LIMITED

Our Company was originally incorporated as 'ABS Marine Services Private Limited' a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 27, 1992, issued by the Registrar of Companies, Tamil Nadu ("RoC"). Subsequently, the name of the company was changed from ABS Marine Services Private Limited' to 'ABS Marine Services Limited', upon conversion into public company, pursuant to a special resolution passed by the shareholders of our Company on September 27, 2023 and a fresh certificate of incorporation consequent to conversion was issued by the RoC on October 23, 2023. Our Company's Corporate Identity Number is U71120TN1992PLC023705.

Registered Office: Flat No. 3, Anugraha Foundation, No. 15, Valliammal Road, Vepery, Chennai – 600007, Tamil Nadu.;

Tel: +,044- 42914135/155; **Website:** www.absmarine.com

Contact Person: Ganesh SaiKrisshna, Company Secretary and Compliance Officer, **E-mail:** cs@absmarine.com **Corporate Identity Number:** U71120TN1992PLC023705

OUR PROMOTERS: CAPT. P B NARAYANAN, MS. SHREELATHA NARAYANAN, MS. ARATHI NARAYANAN AND CAPT. JEEVAN KRISHNAN SANJEEVAN

PUBLIC ISSUE OF UP TO 67,00,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("EQUITY SHARES") OF ABS MARINE SERVICES LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UP TO ₹ [●] LAKHS (THE "ISSUE"). [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE [●] OF THE DRAFT RED HERRING PROSPECTUS.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITIONS OF THE TAMIL REGIONAL NEWSPAPER [●], TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU WHERE OUR REGISTERED OFFICE IS LOCATED, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

Potential Bidders may note the following:

1. In the sections "Summary Of The Issue Document", "Risk Factors", "Objects of the Issue", "Basis for Issue Price", "Our Business" and "Government And Other Approvals" provided herein below as part of Addendum, modifications have been updated.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus

On behalf of ABS Marine Services Limited

Place: Chennai, Tamil Nadu

Date: April 04, 2024

Sd/-

Ganesh SaiKrisshna

Company Secretary & Compliance Officer

BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	
			
GYR Capital Advisors Private Limited 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahemdabad-380 054, Gujarat, India. Telephone: +91 8777564648 E-mail Id: info@gyrcapitaladvisors.com Website: www.gyrcapitaladvisors.com Investor Grievance e-mailID: investors@gyrcapitaladvisors.com Contact Person: Mohit Baid SEBI RegistrationNumber: INM000012810 CIN: U67200GJ2017PTC096908		Purva Share Registry India Private Limited 9 Shiv Shakti India, Estt, J.R. Boricha Marg, Lower Parel, Mumbai- 400011 Telephone: 022 4961 4132/3199 8810 Email Id: newissue@purvashare.com Investor Grievance e-mail: newissue@purvashare.com Website: www.purvashare.com Contact Person: Deepali Dhuri SEBI registration number: INR000001112 CIN: U67120MH1993PTC074079	
ISSUE PROGRAMME			
ANCHOR PORTION OFFER OPENS/CLOSES ON: [●]		BID/OFFER OPENS ON: [●]*	
		BID/OFFER CLOSES ON: [●]**	

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

**Our Company may in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

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SECTION II –SUMMARY OF THE ISSUE DOCUMENT

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(in ₹ lakhs)

Sr. No.	Particulars	Amount	% of Net Proceeds
1.	To fund the acquisition of vessels**	Upto 5,500	[•]
2.	To fund Working Capital Requirement	Upto 2,500	[•]
3.	General Corporate Purposes*	[•]	[•]
Total		[•]	[•]

*To be determined upon finalisation of the Issue Price and updated in the Red Herring Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

** Management estimates based on the revised quotation dated March 26, 2024 issued Alemar Shipping Limited – Ship Brokers with their office located at 186, Charilaou Trikoupi STR- 145 64 Kifisia- Greece. The revised quotation has been provided in US Dollars which is the usual currency for such transactions. The amount has been converted into Indian Rupees at the exchange rate of 82.95 INR = 1 USD prevailing on March 26, 2024, for the purposes of this Draft Red Herring Prospectus. There may be a fluctuation in the exchange rate between the Indian Rupee and the US Dollar and accordingly, such transactions may affect the final funding requirements and deployment of Net Proceeds

For further details, please see “Objects of the Issue” beginning on page 12 of this Draft Red Herring Prospectus.

SECTION III - RISK FACTORS

INTERNAL RISK FACTORS

3. ***If we are unable to collect our dues and receivables from our customers, our results of operations and cash flows could be materially and adversely affected.***

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for work performed. For Fiscals 2023, 2022, 2021 and the seven-months ended October 31, 2023, our Average Debtor Cycle on standalone basis based on revenue from contracts with customers was 115 days, 145 days, 126 days and 172 days, respectively. As of March 31, 2023, 2022, 2021 and as of October 31, 2023, our trade receivables were ₹ 2,555.04 lakhs, ₹ 1,425.28 lakhs, ₹ 1,713.25 lakhs and ₹ 3,237.39 lakhs, representing 26.93 %, 24.64%, 24.20% and 64.31 % of our revenue from contracts with customers, respectively.

Since our major source of revenue is Government and PSU Contracts, we have not encountered such materially adverse difficulties.

4. ***Our operating costs may increase as our vessels age and we may have to make unexpected capital expenditures in order to maintain our fleet or comply with the evolving regulatory requirements.***

Our current vessels range in age from 2 to 18 years with an average age of around 7 years. In general, expenditures necessary for maintaining a vessel in good operating condition increase with the age of the vessel, but are difficult to predict with precision. Older vessels are typically costlier to maintain than more recently constructed vessels and could be subject to lower utilisation rates due to their higher maintenance requirements. Cargo insurance rates increase and cost efficiency usually decreases with the age of a vessel.

In addition, governmental regulations or safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment, to our vessels and may restrict the type of activities in which the vessels may engage. Further, unanticipated changes in governmental regulations may require scrapping of vessels that are above a certain age. As a consequence, we may need to take our vessels out of service for longer periods of time or more often than planned in order to perform necessary repairs or modify the vessels in order to meet such regulations or scrap them altogether. We cannot assure you that, as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. If we sell our vessels, we cannot be certain that the price for which we would sell them will be equal to or greater than their carrying amount on our financial statements at that time. Each of the above may result in an adverse effect on our financial condition.

Further, there can be no assurance that our vessels will not require a one-off or repeated extensive repair work which would result in significant expense and extended periods of time during which these vessels would be out of service. Such an occurrence could have a material adverse effect on our business, results of operations or financial condition.

We are yet to have such an instance as we our fleet average age is about 7 years. However, as the vessels age we may encounter such instances.

Further the decarbonisation goals (net-zero GHG emissions from international shipping by or around, i.e. close to 2050) set by UN, IMO may lead to increased capex expenditure to meet regulatory requirements.

5. ***Limited availability of vessels for purchase in the secondary market at the right time and increase in purchase prices of vessels in the secondary market may affect our financial condition. Our inability to sell vessels at an appropriate time may also adversely affect our results of operations and financial condition***

We continuously monitor our markets in an effort to take advantage of various expansion and growth opportunities. However, we are dependent on the secondary market for acquisition of our vessels. Availability of vessels in the secondary market is dependent on various factors including the scrapping of single-hull or older vessels, limited shipyard capacity for building new vessels and the high price of plate steel which is a key material used in building vessels. There can be no assurance that vessels meeting our size and quality requirements will be available in the secondary market at prices or delivery times acceptable to us, which could result in lost business opportunities or otherwise have an adverse effect on our business, financial condition and results of operations.

Further, if freight rates increase, the availability of vessels in the secondary market may be limited, since vessel operators are unlikely to exit the market at that time. The scrapping of older vessels, limited shipyard capacity and high commodity prices, fuelled by high freight rates, may result in a significant rise in new vessel prices, which may lead to an increase in demand of vessels in the secondary market thereby increasing the pricing and decreasing the availability of such vessels. As we depend on acquisition of vessels in the secondary market to increase our capacity, such an increase in prices and decrease in availability of vessels may result in an increase in the capital we need to invest to increase the size of our fleet which may adversely affect our financial condition.

In addition, vessels are considered for sale based on their age, performance, operating costs, increasing idle time periods and if they are nearing the end of their charter of contract. Although vessels are usually sold only at the end of their charter periods, we may decide to sell a vessel while the contract is ongoing due to various reasons, including poor performance, high operating costs, and the asset being at the end of its useful life. In such a case, we would either have to acquire a vessel to replace the existing vessel being sold or charter in a vessel from a third-party for the remainder of the contract period. If the secondary market for vessels is challenging at the relevant time, we may not be able to sell such vessels at the anticipated prices or at the appropriate time or at all. As we generally use proceeds from such sales to purchase newer vessels, our inability to sell our older vessels may adversely affect our ability to purchase newer vessels to meet the opportunities available. This could lead to loss of business opportunities which will adversely affect our profitability and financial condition.

We are yet to have such an instance however due to elevated new building costs there could be a shortage of suitable assets in secondary, however there could be a reversal also.

6. Defects in vessels acquired in the secondary market may not be apparent prior to purchase

Vessels purchased from the secondary market may have conditions or defects that we were not aware of and our inspections of vessels acquired in the secondary market prior to purchase would not normally provide us with the same knowledge about the condition of the vessels that we would have if the vessels had been built for or operated by us. Such repairs may require the vessel to be put into dry-dock which would reduce our fleet's utilisation. Accordingly, there can be no assurance that the purchase of vessels in the secondary market will not result in higher than anticipated operating expenditures, including repair costs.

Furthermore, it is not usually possible to receive the benefit of warranties in respect of vessels that have been acquired in the secondary market. Identification of such defects following the acquisition of a vessel may therefore adversely affect our business, financial condition and results of operations.

We have not experienced this due to the rigorous pre-purchase inspections carried out by us. However, such risks do exist where hidden defects may not be readily apparent prior to purchase even after a rigorous inspection. Such defects may manifest at a later stage.

7. Failure to implement our growth strategy to provide services

We expect our business to continue to grow significantly. Although we plan to continue to expand our scale of operations through organic growth acquisitions of vessels as well as of companies and investments in other entities, we may not grow at a rate comparable to our growth rate in the past either in terms of income or profit. We expect our future growth to place significant demands on our personnel, management and other resources and require us to continuously evolve and improve our financial, operation and other internal controls across our organization. If we fail to manage our recent and future acquisitions of vessels or companies (together with related financings) effectively, our results of operations could be adversely affected. In particular, continued expansion places additional and new responsibilities on our management on:

- recruiting, training and retaining sufficient skilled and qualified management and technical personnel;
- adhering to health, safety and environment and quality and process execution standards that meet client expectations;
- making assumptions on capital expenditure on areas where we have little experience;
- preserving a uniform culture, values and work environment in operations within and outside India;
- integrating acquired businesses and assets; and

- developing and improving our operations and our financial, management and legal compliance information systems.

Any inability to manage our growth may have an adverse effect on our business, prospects and results of operations.

We are projecting realistic growth and not exponential growth. Our projections and growth strategies are flexible enough to accommodate change in market conditions.

9. *An increase in fuel prices or other operating costs would have an adverse impact on our profit margins.*

While we generally do not bear the cost of fuel, or bunkers, for vessels operating on charters, fuel is a significant factor in negotiating charter rates. As a result, an increase in the price of fuel beyond our expectations may adversely affect our profitability at the time of charter negotiation. Fuel is also a significant, if not the largest, expense in our shipping operations when vessels are under charter. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns.

Future increases in the consumption of fuel oil and other inventories globally would significantly increase the cost of our vessel operations. There can be no assurance that we will be able to pass on the increase in fuel prices to our customers in the form of increased freight rates. Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

In the current business segments, we are not affected by this factor as in all ongoing contracts the fuel expenses in borne by the charterers / vessel employer.

However, any change in policy by the charterers / vessel employers may affect the profit margins.

10. *The failure of our counterparties to meet their obligations to us under any charter agreements or our failure to account for exceptional circumstances could cause us to suffer losses or otherwise adversely affect our business*

We strategically employ our fleet, and any additional vessels that we may acquire, on time charters with staggered maturities based on the market conditions, to preserve the flexibility to capitalize on potentially rising charter rates. The ability and willingness of each of our counterparties to perform its obligations under a time charter agreement with us depends on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the industry and the overall financial condition of the counterparties. If we are unable to take delivery of a contracted vessel, including due to the failure of the counterparty to deliver a vessel to us as agreed or to otherwise meet its obligations, this may have a material adverse effect on our business. In addition, in depressed market conditions, there have been reports of charterers renegotiating their charters or defaulting on their obligations under charters, and our future customers may fail to pay charter hire or attempt to renegotiate charter rates. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations and cash flows and our ability to pay dividends.

The failure of our counterparties to meet their obligations for our company have not been encountered since majority of our contracts are tender driven and for a fixed term duration.

11. *We are subject to extensive regulation and potentially substantial liability that could require significant expenditures and adversely affect our business, results of operations and financial condition*

Our operations are subject to extensive laws, treaties and agreements governing the management, transportation etc all of which are designed to protect the environment from pollution, as well as other national, state and local laws and regulations in force in the jurisdictions in which our vessels operate or are registered. Our vessels must also meet stringent operational, maintenance and structural requirements, and they are subject to rigorous inspections by governmental authorities. In addition, our personnel must follow approved safety management

and emergency preparedness procedures. Violations of applicable requirements could result in substantial penalties, and in certain instances, seizure or detention of our vessels.

In order to maintain compliance with existing and future laws, treaties and agreements, we incur, and expect to continue to incur, substantial costs in meeting maintenance and inspection requirements, developing and implementing emergency preparedness procedures, and obtaining insurance coverage or other required evidence of financial ability sufficient to address pollution incidents. These laws, treaties and agreements can: impair the economic value of our vessels; require a reduction in cargo carrying capacity or other structural or operational changes; impose more compliance requirements on our vessels, which may, in turn make our vessels less attractive to potential charterers or purchasers; lead to an increase in the risks to be covered under our insurance policies which may in turn, affect our ability to secure sufficient insurance coverage for affected vessels; or result in the denial of access to, or detention in, certain ports

As such laws, treaties and agreements are often revised, we cannot predict the ultimate costs of complying with such conventions and legislation or their impact on the resale price or useful life of our vessels or other aspects of our operations. Additional conventions and legislation may be adopted which could limit our ability to do business or require us to incur substantial additional costs or otherwise materially adversely affect our business, our Shareholders, our results of operations or financial condition. Any such changes to the laws and regulations under which we operate could adversely affect our business, cash flows and results of operations. For further details, see “Key Regulations and Policies in India” and “Government and Other Approvals” on pages **Error! Bookmark not defined.** and 37, respectively.

No past experience in this regard since shipping is a highly regulated business.

We have adequate technical professionals and subject matter experts to ensure compliances with applicable laws and regulations. Further we have adequate H&M and P&I Insurance cover in place at all times for liabilities that may arise out of ship operations.

Our Hull and Machinery (H&M) insurance covers physical loss of or damage to the hull and the machinery onboard.

Protection and Indemnity (P&I) is a type of insurance that ship-owners purchase to cover the potentially huge costs of any harm they accidentally cause to people, property and the environment.

12. Vessel values may fluctuate which may result in the incurrence of a loss upon disposal of a vessel

We evaluate the carrying amounts of our vessels to determine if events have occurred that would require an impairment of their carrying amounts. The recoverable amount of vessels is reviewed based on events and changes in circumstances that would indicate that the carrying amount of the assets might not be recovered. The review for potential impairment indicators and projection of future cash flows related to the vessels is complex and requires us to make various estimates, including future charter rates, earnings from vessels, operating expenses, discount rates and dry-dock costs. All of these items have been historically volatile.

An impairment charge is recognized if the carrying value of a vessel is in excess of the recoverable amount. The carrying values of our vessels may not represent their fair market value at any point in time because the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. In particular, the fair market value of the vessels our fleet, or vessels that we may acquire in the future, may increase or decrease depending on a number of factors, including: age of the vessels; vessel specification and the condition of the vessel; global economic and market conditions affecting the vessel industry; competition from other companies; changes in supply of, and demand for, certain types and sizes of vessels; number of vessels in the world fleet; developments affecting other modes of transportation; changes in the cost of building new vessels; governmental or other regulations; the prevailing level of charter rates; and technological advances.

While we believe currently none of the vessels owned by our Company have any indicators of impairment, any impairment charges incurred in future as a result of declines in charter rates could negatively affect our business, financial condition, operating results, and cash flows. Declining vessel values of our vessels could adversely affect our liquidity by limiting our ability to raise cash or refinance or draw down further under our credit facilities.

However, we have not experienced this during the time of running the business.

14. Impact of potential information technology, cybersecurity attacks

Our business is dependent upon information technology systems, including internet-based systems, to support business processes. We also utilize IT solutions that cover various aspects of our operations. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business and reputation.

The Company has not faced this issue before, but may face this in future due to unforeseen circumstances. Company has adequate security systems in place.

17. Increases in interest rates will adversely affect the cost of our borrowings.

Increases in interest rates will adversely affect the cost of our borrowings. Such interest rate indebtedness is subject to increases in interest rates, which would increase our finance expenses and could have an adverse effect on our results of operations. We do not currently enter into any interest rate hedging or swap transactions in connection with our loan agreements. We cannot assure you that we will be able to enter into interest hedging contracts or other financial arrangements on commercially reasonable terms, or that any of such agreements will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business, financial condition and results of operations.

Company considers interest rates are almost in peak now. Company will consider interest rate hedging, pre-payment of loans out of cash flow generated, if interest rate further moves up.

18. We may have difficulty in managing our planned acquisitions of additional vessels.

We intend to grow our business through selective acquisitions of additional vessels. We currently have plans to purchase an off shore vessel in Fiscal Year 2024-25. Our ability to grow our vessel fleet in the future will primarily depend on:

- i. timely identification for the need of additional vessels;
- ii. locating and acquiring suitable vessels;
- iii. identifying and completing vessel acquisitions;
- iv. enlarging our customer base;
- v. managing our expansion;
- vi. the operations of the shipyard any new buildings we may order; and
- vii. obtaining required financing on acceptable terms.

Higher charter rates result in higher vessel values, and accordingly, it may be difficult to consummate vessel acquisitions at favorable prices during period of high charter rates. In addition, growing any business by acquisition presents numerous risks, such as managing relationships with customers and integrating newly acquired assets into existing infrastructure. We cannot give any assurance that we will be successful in executing our growth plans or that we will not incur significant expenses and losses in connection with our future growth efforts.

We are facing difficulty in managing the planned acquisition currently due to the capital-intensive nature of this business. The very purpose of the IPO is to overcome this difficulty by raising funds.

- 19. *We may not be able to acquire additional vessels to address an immediate need of vessel capacity due to the absence of an active second-hand market for the sale of vessels, and this could have an adverse effect on our financial condition and results of operations.***

Our customers may have an immediate need for vessel capacity from time to time. We may not be able to address such need for vessel capacity if our existing vessels are already fully utilized, and in the event that we need to acquire additional vessels to address such need, we may not be able to do so in a timely manner due to the absence of an active second-hand market for the sale of vessels. Failure to acquire the necessary vessels could have an adverse effect on our financial condition and results of operations.

We do not have a specific instance of having experienced this.

However, this is often possible in the second-hand vessel sale & purchase market where elevated prices can be encountered for of a particular type of due to various market conditions.

- 20. *Technological innovation could reduce the amount of charter payments we receive and the value of our vessels.***

The charter rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The length of a vessel's physical life is related to its original design and construction, its maintenance and the impact of the stress of operations. If new vessels are built that are more efficient or more flexible or have longer physical lives than our vessels, competition from these more technologically advanced vessels could adversely affect the amount of charter payments we receive for our vessels once their current charters expire and the resale value of our vessels could significantly decrease. As a result, our business, financial condition, operating results, ability to pay dividends or the trading price of our common shares could be adversely affected.

Technological Risk is a general risk factor for all business. We are periodically upgrading our vessels to accommodate the technological changes in the market.

Further the decarbonisation goals (net-zero GHG emissions from international shipping by or around, i.e. close to 2050) set by UN, IMO may lead to increased capex expenditure to meet regulatory requirements.

- 22. *We may be unable to attract and retain sufficient qualified and trained employee base which may adversely affect our business.***

An experienced in-house team is one of the critical aspects for the success of our business operation. Our continued success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees. As we intend to grow our total number of vessels, we will need experienced manpower that has the relevant industry and domain knowledge. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise to perform the necessary functions. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, and our financial condition and results of operations may be adversely affected.

This is a general risk factor for all business. To attract and retain the best talent we pay in par with industry standards.

- 23. *All our vessels are Indian flagged and owned which enables us to take advantage of the cabotage laws. Any changes to such cabotage law may adversely affect our business, financial condition and results of operations. Further, we will be at a disadvantage with respect to certain foreign jurisdictions due to their cabotage laws.***

It is a common practice followed in seaborne transportation economies across the world where a preference and a right of first refusal is given to the vessels which are flagged locally when a tender for seaborne transportation is invited. Accordingly, Indian flagged vessels as per shipping development orders passed by Director General of Shipping, India and amended from time to time have the right of first refusal on a tender for transportation by Indian companies within a price band of 20% quoted by owners of a foreign-flagged

vessel to the owners of an Indian flagged vessel. If the owner of an Indian flagged vessel is able to match the price, the charter is awarded to such Indian flagged vessel.

As all our vessels are owned and flagged in India and are classed under the Indian Register of Shipping, we can and do take advantage of the right of first refusal in respect of charter tenders by Indian oil companies. However, we may have to incur higher expenditure to meet the manning requirements prescribed for India flagged vessels as compared to our competitors whose vessels are flagged under different jurisdictions. We may also have to incur additional expenditures at various international ports where there is a requirement to engage local agents for certain services and as a result our business margins may be affected which would impact our business and results of operations.

Govt of India reforms the cabotage laws from time to time, however such changes have always been keeping in consideration the interest of the Indian Ship Owners. We have not yet faced an adverse change in law. Similar cabotage laws exist in other countries like Malaysia, United States etc. If we were to operate our assets in such waters, we could be at a disadvantage due to local cabotage laws which gives preference to ship owners domiciled in the respective countries.

28. Our Promoters has extended personal guarantees with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.

Our Promoters has extended certain personal guarantees in favour of certain banks / financial institutions with respect to various facilities availed by our Company from them. In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. Further, if our lenders enforce any of the restrictive covenants or exercise their options under the relevant debt financing arrangement, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details please refer to the chapter titled “**Financial Indebtedness**” on page **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

Extending personal guarantees by promoters is a general phenomenon. As the Company has good debt coverage ratio plus ample cash flows to meet the loans (Principal and interest) revocation of personal guarantees for non-re-payment of loan may not arise.

29. An inability to comply with repayment and other covenants in the financing agreements or otherwise meet our debt servicing obligations could adversely affect our business, financial condition, cash flows and credit rating.

Our Company and Subsidiary has entered into agreements in relation to financing arrangements with certain banks for working capital facilities, term loans and bank guarantees. As of October 31, 2023, we had total outstanding borrowings of Rs. 1,659.9 lakhs. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain shareholders of our Company and effecting change in the constitutional documents or management of our Company. For further details, see “**Financial Indebtedness**” beginning on page **Error! Bookmark not defined.** As on October 31, 2023, our total secured borrowings amounted to Rs. 1,659.89 lakhs, comprising of 100 % of our total indebtedness. Under the terms of our secured borrowings, we are required to create a charge by way of hypothecation on the assets of our Company, together with cash in hand and bank accounts. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. Many of our 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. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others, change in the capital structure, availing additional borrowings, change in ownership or management control, changes in shareholding pattern and management set-up including its constitution and composition, amalgamation, demerger, merger, acquisition, corporate or debt restructuring or similar action. Our Company is yet to receive consent from lenders in relation to a borrowing availed by us.

Our Company intends to obtain the necessary consents in relation to the Issue from aforementioned lenders prior to the filing of the Red Herring Prospectus with the RoC, and Stock Exchange.

Not experienced this.

Currently Our Cash Flows and Profitability are healthy enough to meet debt obligations and other financing agreements. All these are also backed up by adequate immoveable securities and guarantees. Going forward we expect increased revenue and cash flows.

OBJECTS OF THE ISSUE

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the manner set forth below:

Particulars	Estimated amount (in ₹ lakhs)
Acquisition of offshore vessel*	Upto 5,500
Funding the working capital requirements of our Company	Upto 2,500
General corporate purposes ⁽¹⁾	[•]
Total ⁽¹⁾	[•]

⁽¹⁾To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the gross proceeds from the Fresh Issue.

*Management estimates based on the revised quotation dated March 26, 2024 issued by Alemar Shipping Limited – Ship Brokers with their office located at 186, Charilaou Trikoupi STR- 145 64 Kifisia- Greece. The quotation has been provided in US Dollars which is the usual currency for such transactions. Hence, the amount had been converted into Indian Rupees at the exchange rate of 82.95 INR = 1 USD prevailing on March 26, 2024, for the purposes of this Draft Red Herring Prospectus. There may be a fluctuation in the exchange rate between the Indian Rupee and the US Dollar and accordingly, such transactions may affect the final funding requirements and deployment of Net Proceeds. The quotation obtained from Alemar Shipping Limited is valid for an estimated period of 4 months or till the vessel remains unsold whichever is earlier.

Proposed 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 as follows:

(in ₹ lakhs)

Particulars	Total estimated amount	Estimated deployment of the Net Proceeds
		Fiscal 2024- 25
Acquisition of off shore vesels ⁽¹⁾	Upto 5,500	Upto 5,500
Funding the working capital requirements of our Company	Upto 2,500	Upto 2,500
General corporate purposes ⁽²⁾	[•]	[•]
Total ⁽¹⁾	[•]	[•]

⁽¹⁾Deployment of funds in Fiscal Year 2024-25 will depend on our Company executing definitive agreements for the identified vessels. There may be spill over in the deployment of Net Proceeds to the next Fiscal Year in case of any delay in entering into the contract and/or change in the terms of the payment. Management estimates based on the revised quotation dated March 26, 2024 issued by Alemar Shipping Limited – Ship Brokers with their office located at 186, Charilaou Trikoupi STR- 145 64 Kifisia- Greece. The revised quotation has been provided in US Dollars which is the usual currency for such transactions. The amount has been converted into Indian Rupees at the exchange rate of 82.95 INR = 1 USD prevailing on March 26, 2024, for the purposes of this Draft Red Herring Prospectus. There may be a fluctuation in the exchange rate between the Indian Rupee and the US Dollar and accordingly, such transactions may affect the final funding requirements and deployment of Net Proceeds. The quotation obtained from Alemar Shipping Limited is valid for an estimated period of 4 months or till the vessel remains unsold whichever is earlier.

⁽²⁾ To be finalised upon determination of the Issue Price and updated in the Red Herring Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the gross proceeds from the Fresh Issue.

Details of the Objects

1. Part funding of the equity portion for the acquisition of off shore vessel

We continuously monitor our markets in an effort to take advantage of various expansion and growth opportunities. We consider acquiring a vessel when we believe there is a demand for vessels in a particular segment in the industry. We may, however, utilise the new vessels to increase our fleet size or replace an existing vessel which may require replacement with a new one due to day to day wear and tear.

We are dependent on the secondary market for acquisition of our vessels. Based on our experience, the process of acquiring a vessel from the secondary market typically takes 50 to 100 days from the date of identification of the vessel and involves the following steps:

- a. a memorandum of agreement for purchase is entered into within 3 to 7 days from the date of identification of the vessel to be acquired;
- b. thereafter, the buyer is required to pay a non-refundable amount ranging from 10% to 20% of the total consideration typically within a period of 1 to 3 days from the date of execution of the memorandum of agreement for purchase;
- c. in addition, the seller is required to deliver the vessel to the decided port of take-over typically within a period of 30 to 90 days from the date of execution of the memorandum of agreement for purchase and the buyer is required to pay the balance consideration on the delivery of the vessel

Accordingly, as on the date of filing of this Draft Red Herring Prospectus, we cannot identify a specific Bulk carrier and offshore vessel proposed to be acquired in the secondary market.

In line with our past practice for identification of a vessel, 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 vessel, number of available years to run the vessel after acquisition, most recent operating costs for a vessel and expected final price post negotiation. If found feasible, the recommendation of the acquisition feasibility analysis will be conveyed to our Board, which will then make a final decision. For further details, see *“Our Business – Proven ability to acquire vessels at optimal price and deploy vessel”* on page 20.

In addition, the availability and pricing of vessels, offshore vessels, in the secondary market is highly dependent on various factors such as the scrapping of single-hull or older vessels, limited shipyard capacity for building new vessels and the high commodity prices which may also be fuelled by high freight rates.

A detailed explanation on the steps involved in the purchase of vessel is given below:

“A memorandum of agreement (“MoA”) is customarily- the **Governing Sales Contract**.

As security for the correct fulfilment of MoA, the buyer must pay an upfront deposit of 10% (ten per cent) of the Purchase Price within 3 (three) banking days after the MoA is signed by both parties and exchange by fax/email. The deposit is placed in the sellers’ nominated account held jointly in an interest-bearing account for the seller and the buyer, to be released in accordance with joint written instructions of the seller and the buyer or the funds may be placed into escrow released by the escrow agent on closing.

The balance of the purchase price is paid at the time of physical delivery of the vessel as per the timeline agreed upon in the MoA.

There is a buyer’s default clause in the MoA which states that:

“Should the deposit not be paid in accordance to the relevant clause of the MoA, the Seller has the right to cancel the MoA and they shall be entitled to claim compensation for their losses and for all expenses incurred together with interest.

Should the purchase price not be paid in accordance to the relevant clause of the MoA, the sellers shall have the right to cancel the MoA, in which case the deposit together with interest earned shall be released to the

sellers. If the deposit does not cover their loss, the Sellers reserves the right to claim further compensation for all the losses and expenses incurred together with interest.”

Ship quoted sale price by brokers is USD 15.3 Million (Approx INR 127 Crores). Final negotiation pending, we believe a closing price of INR 115 Crore can be achieved after final inspection and negotiation. Towards this we have secured an in-principal approval for INR 60 crore loan. Balance sum of INR 55 Crore we intend to utilise from the IPO Proceeds. In the event of a failure to pay the balance of the purchase price the seller can forfeit the 10% deposit amount with interest and they can further claim compensation for their losses and all expenses incurred.”

To avoid this situation, we plan to sign the memorandum of agreement (“MoA”) with sellers only after the successful completion of the IPO and the proceeds being received for utilisation.

Further with respect to disclosing the details of the vessels in the RHP, we believe it may not be prudent to disclose without entering into a memorandum of agreement (“MoA”) with sellers, as it places us under the Competitive disadvantage wherein the price of the vessel can be influenced (increased) by our other buyers.

It may also be noted that we win vessel contracts by participating in global tenders with international competitive bidding process wherein the pricing is kept discreet, in which we have to demonstrate our financial and technical credibility, as required under the pre-qualification criteria. Disclosing the name of a planned acquisitions in public forum, especially prior to signing of the memorandum of agreement (“MoA”), leads to losing the competitive advantage in such international competitive bidding process.

Present below is the schematic representation of licences/approvals/NOC required for the purchase of the proposed vessel:



The Approvals to be obtained from Directorate General of Shipping (DGS) and Mercantile Marine Department (MMD) at various stages. They will be the main approving authority. All the approvals are after purchase of vessel and before deploying of persons for the Vessel.

We intend to deploy the Net Proceeds to partially finance the equity portion aggregating upto Rs. 5500 lakhs for the Acquisition of Vessels satisfying the following size and quality requirements (the “Criteria”) during the Financial Year 2024-25:

Particulars	Specification
Type	Off Shore Vessel
Capacity	1800 tonne
Tonnage	1209
Built Year	2016
Built- In- country	China
Main engine	4*1200KW @ 1800 RPM, Cummins KTA50-dm1,6530bhp
Length overall	78.26 meters
Beam	17.20 m

The funding requirements and deployment of proceeds for Acquisition of Vessels are based on internal management estimates which are based on the quotation from Alemar Shipping Limited – Ship Brokers with their office located at 186, Charilaou Trikoupi STR- 145 64 Kifisia- Greece. 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. For further details, see “Objects of the Offer – Means of Finance” and “Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operation may be adversely affected on pages 12 and 4 respectively.

Alema Shipping Limited – Ship Brokers an Independent international maritime brokerage company, has provided us such a revised quotation dated March 26, 2024 for Bulk carrier and offshore vessel, satisfying the Criteria, available for acquisition. The quotation obtained from Alema Shipping Limited is valid for an estimated period of 4 months or till the vessel remains unsold whichever is earlier. The quotation is based on (i) recent sales of vessels that are similar to vessel meeting the Criteria (ii) vessels that are currently up for sale in the same category, and (iii) the experience of ship broker in acting as a broker for sale and purchase of vessels in India and outside India. The detailed break-up of the estimated cost is set forth below:

Particulars	Total estimated cost (₹ in lakhs)
Off shore Vessel	
Standing cost of Acquisition	₹ 12,691.35 (\$15300000*82.95)
Incidental Cost **	-
Total ***	₹ 12,691.35

All the quotations are valid as on the date of DRHP.

The revised quotation has been provided in US Dollars which is the usual currency for such transactions. The amount has been converted into Indian Rupees at the exchange rate of 82.95 INR = 1 USD prevailing on March 26, 2024 for the purpose of this Draft Red Herring Prospectus. There may be a fluctuation in the exchange rate between the Indian Rupee and the US Dollar and accordingly such transactions may affect the final funding requirements and deployment of Net Proceeds. The quotation obtained from Alema Shipping Limited is valid for an estimated period of 4 months or till the vessel remains unsold whichever is earlier.

Cost of the vessel, to be directly paid to the seller.

** The incidental cost includes bunkers, lubricants, import duties (if any), spares and stores, take over expenses, certification and registration expenses, brokerage, insurance and port dues. Based on local regulation and accounting practice, the incidental cost may also include any taxes to be paid on the purchase of the vessel.

Means of Finance:

(Amount ₹ in lakhs)

Means of Finance	Amount
Total Cost ¹	₹ 12,691.35 (USD 15.30 million * INR 82.95)
(less) Proposed Funding from internal accruals	1,221.95
(less) Expected funding from Net proceeds	5,500.00
Balance funds required	6,000.00

Debt tie up ²	
In principle sanction of debt available to our Company ²	6,000.00

¹ Out of the cost of ₹ 12,691.35 lakhs for the acquisition of one offshore vessel mentioned above, an amount of ₹. 6,000 Lakhs shall be funded through debt and an amount of ₹. 5,500 lakhs shall be funded through the Net Proceeds and/or internal accruals of our Company.

² The Company has received in-principle sanction of ₹ 6000 lakhs from the HDFC Bank Limited vide its letter dated December 14, 2023 towards the debt requirement of the off-shore vessel identified above.

While off shore vessels satisfying the Criteria are usually available in the secondary market, there can be no assurance that such vessels will be available in the intended period of deployment of the Net Proceeds. We have not entered into any definitive agreement with the Alemar Shipping Limited – Ship Brokers or any other person for the Acquisition of Vessels. The quotation obtained from Alemar Shipping Limited is valid for an estimated period of 4 months or till the vessel remains unsold whichever is earlier. There can be no assurance that the Alemar Shipping Limited – Ship Brokers would be engaged to eventually for the Acquisition of Vessels 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 ship broker from whom we have obtained the present quotation, such broker's estimates and actual costs for the Acquisition of Vessels may differ from the current estimates. Further, there might be a situation that even the vessel for which the quotation has been obtained might not be available at the time of actual purchase since the Issuer Company has not entered into a MOA.

2. Funding the working capital requirements of our Company

Our Company proposes to utilise upto ₹ 2,500.00 lakhs from the Net Proceeds towards funding its working capital requirements in Fiscal 2024.

We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks, financial institutions and non-banking financial companies. Our Company requires additional working capital for funding future growth requirements of our Company. As of October 31, 2023 the aggregate amount sanctioned by the banks to our Company under the fund based working capital facilities amounted to ₹ 2,131.6 lakhs on a standalone basis. For details of the working capital facilities availed by us, see **“Financial Indebtedness”** on page **Error! Bookmark not defined.**

Basis of estimation of working capital requirement

The details of our Company's working capital for the seven months period ended October 31, 2023 and as at March 31, 2023, March 31, 2022 and March 31, 2021 and the source of funding, derived from the standalone financial statements of our Company are provided in the table below:

(₹ lakhs)

Particulars	Fiscal 2021 (Restated)	Fiscal 2022 (Restated)	Fiscal 2023 (Restated)	Period ended October 31,2023 (Restated)
Current Assets				
Current Investments	1,263.91	3,082.45	533.16	1,046.65
Trade Receivables	1,713.25	1,425.28	2,555.04	3,237.39
Cash and Bank Balances	1,336.91	614.63	1,158.48	235.76
Short term loan and advances	305.38	346.66	1,139.75	1,621.98
Total (A)	4,619.45	5,469.02	5,386.43	6,141.79
Current Liabilities				
Trade Payables	755.84	1,083.73	1,625.03	1,415.07
Other Current Liabilities	427.28	447.76	710.55	552.56
Short Term Provision	14.50	16.29	22.16	126.98
Total (B)	1,197.61	1,547.78	2,357.74	2,094.61
Total Working Capital (A)-(B)	3,421.84	3,921.24	3,028.69	4,047.18

Funding Pattern				
<i>I) Borrowings for meeting working capital requirements</i>	123.10	188.12	218.36	1,014.95
<i>II) Networth / Internal Accruals</i>	3,298.74	3,733.12	2,810.33	3,032.23

- i. A detailed rationale for the decrease in working capital requirements of the Company from FY 2022 to FY 2023
- ii. A detailed rationale for the increase in working capital requirements of the Company from FY 2023 to FY 2024 and FY 2025

“The company has demonstrated admirable efficiency in working capital management, achieving a notable reduction in the Working Capital Cycle from 76 days in Fiscal 22 to 53 days in Fiscal 2023. Although a temporary increase to 81 days occurred in the Stub period ending October 31, 2023, mainly attributable to EMD’s and Performance Bank Guarantees returning to pre-covid levels, the positive outlook lies in the projected decrease to 38 days in Fiscal 2024 and a further reduction to 36 days in Fiscal 2025. This optimistic trend aligns with the company’s strategic plans, including the acquisition of vessels post the IPO, which is expected to stimulate revenue growth through lucrative new contracts with higher rates, ultimately contributing to the company’s overall success.

While the amount of working capital in absolute terms has increased YoY, mainly attributed to increased business, the holding levels tell a different story. The company has been able to reduce the holding levels from 76 days in Fiscal 2022 to 53 days in fiscal 2023. Although there was an increase in holding levels in the stub period mentioned above, the company’s projected holding levels for fiscal 2024 and 2025 stand at 38 and 36 days respectively, which further shows the companies adept management of working capital.”

BASIS FOR ISSUE PRICE

Qualitative Factors

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

1. Scaled platform with track record of growth and market leadership;
2. Diversified fleet;
3. Well positioned to grow our fleet size to take advantage of India's growth;
4. Experienced management team, backed by a board and marquee shareholders, along with culture of compliance;
5. Deeply entrenched, long-standing client relationships with a diversified and expanding client base.

For further details, please refer chapters titled "***Risk Factors***" and "***Our Business***" beginning on Page Nos. 4 and 20, respectively.

OUR BUSINESS

A) SHIP MANAGEMENT

Operating a vessel efficiently in compliance with environmental, statutory requirements today requires a wide scope of expertise and experience. We strive to operate all managed vessels in the safest and most efficient manner possible to meet the requirements of shipowners, flag states, port states, class societies, charterers and other stakeholders in full compliance with IMO's International Safety Management Code.

With over 30 years experience in managing vessels in the shipping and energy sectors, we are committed to delivering safe and compliant operations through transparency, pro-activeness, and strong partnerships. We offer a full range of ship management and marine support services to ship owners and operators, as well as the ability to blend those services together in unique combinations to meet specific customer needs.

Managing and servicing a fleet of Scientific Oceangoing Research Vessels & Offshore Vessels can bring the biggest of safety challenges. But our safety record speaks for itself. Leveraging our existing professional expertise and capabilities, we provide a number of management services for vessels. These services include vessel operations management, crew management and recruitment, technical management, catering & housekeeping services, agency coordination and operation & maintenance of scientific equipments for Research Vessels.

Taking operational excellence to new levels, our expert teams consistently supply comprehensive management and vital support services for over 30 vessels, including Offshore Vessels serving the Oil & Gas Sector, Research Vessels for the Government of India, Bulk Carriers, Gas Tankers, Oil Tankers for private shipping companies, Passenger Vessels, High Speed Crafts for Government agencies & Harbour Crafts for Ports.

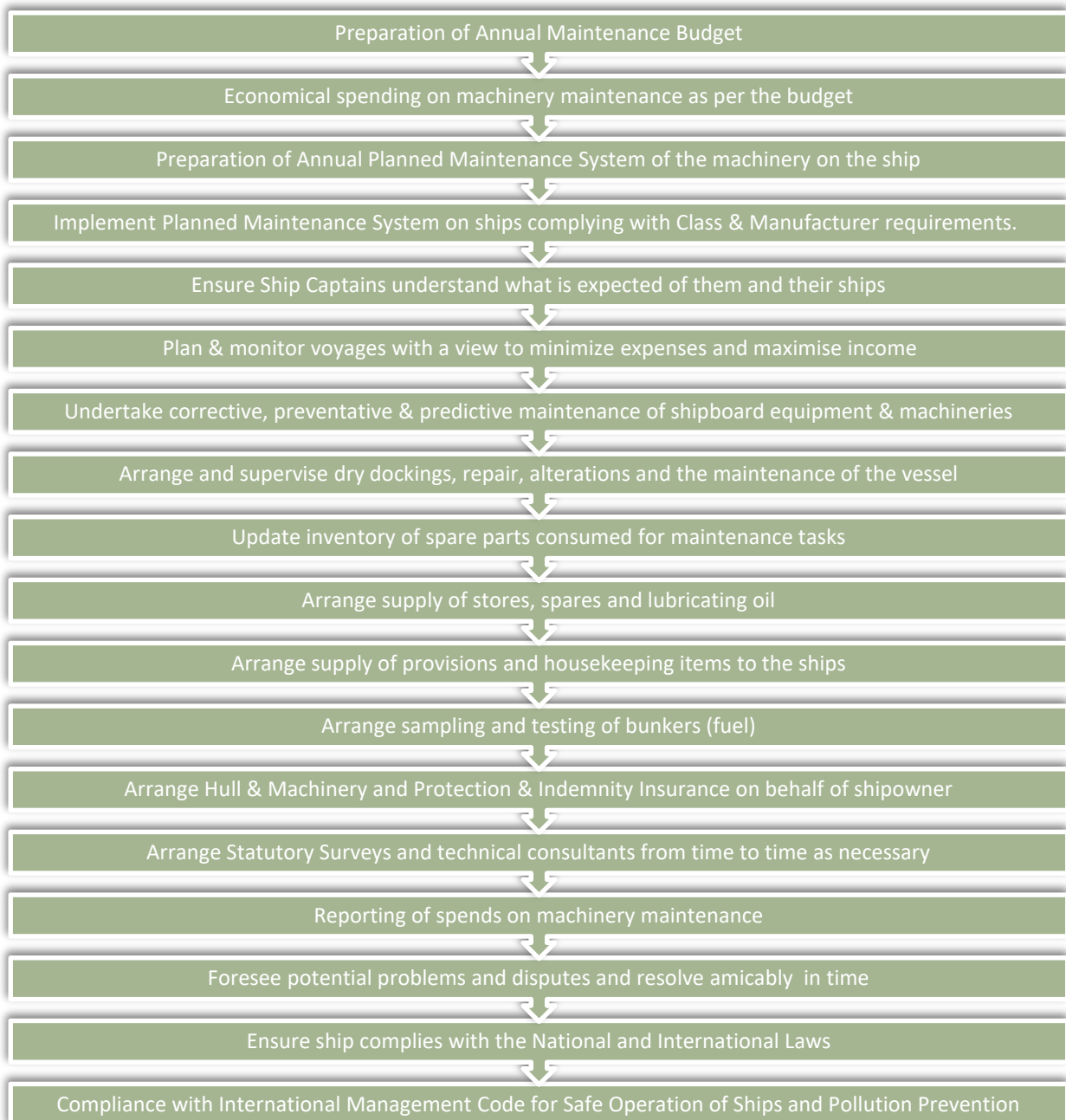
On the Crew management front we place emphasis on the selection, development and management of seagoing employees that is key to the safe and efficient operations of our own vessels and of our clients. Our seafarer pool counts more than 400 highly qualified professional seafarers. We apply a rigorous selection process, ensuring that the professional qualifications and competence of our future employees meets and exceeds market requirements. Our fleet personnel department have decades of experience in managing all activities behind the recruitment process and a high retention.

Crew Management and Technical Management are the major activities involved in Ship Management. Details of the same is presented below:

Crew Management: The objective of crew management is to ensure that every ship has medically fit and trained staff to operate the vessel safely and efficiently. There are three departments onboard a ship – namely Deck Department (Captain & support team), Engine Department (Chief Engineer & support team) and Salon Department (Chief Cook & support team). Seafarer wellbeing is also supported through this process. Crew management for ships includes the following processes.



Technical Management- It includes the planning, scheduling, and execution of all activities necessary to maintain a ship in safe, efficient, and seaworthy condition. (Vessel is fit to encounter the ordinary perils contemplated for the voyage).



B) MARINE SERVICES

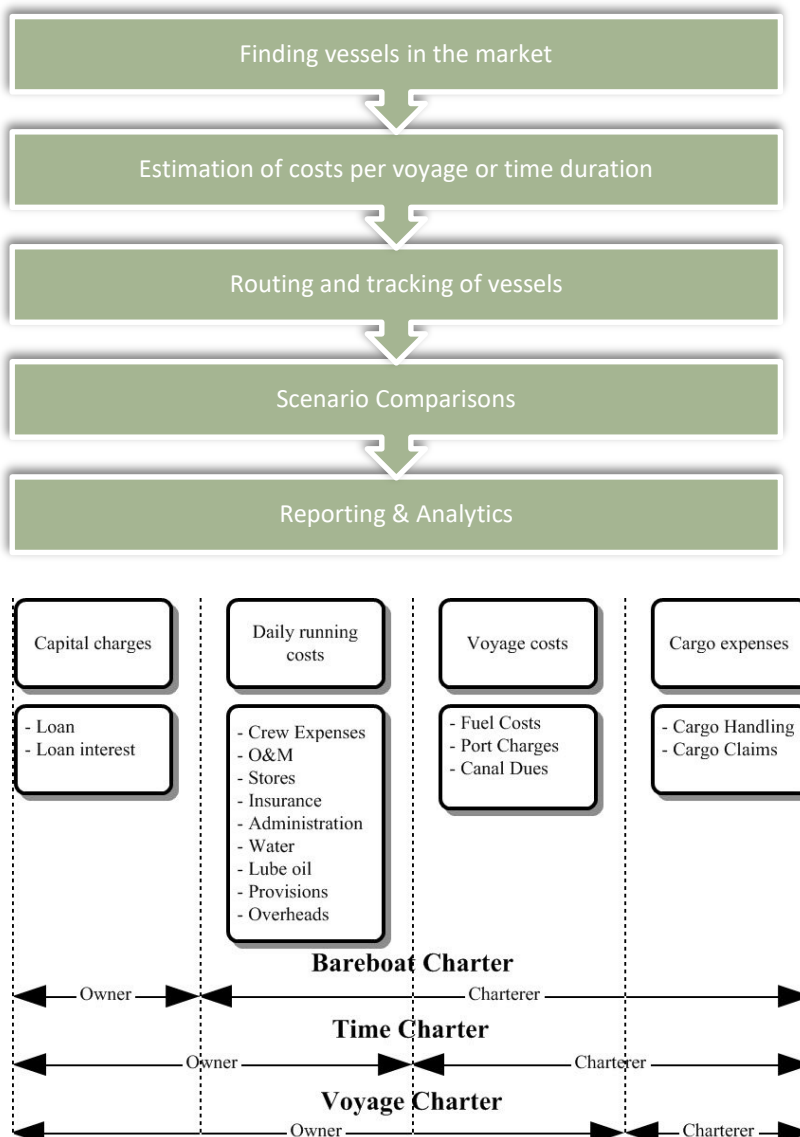
Chartering.

We have a broad knowledge of the industry, from the time-served experience of Master Mariners to specialists in fields including: Vessel Sale & Purchase, Offshore Vessel Coordination and Contract Negotiations.

This in-depth knowledge along with our fleet of modern, well-maintained vessels and an agile management structure ensures our clients always receive the best result.

We also have extensive experience in the Chartering and Commercial Management of third-party vessels.

Pictorial representation of the activities involved in the chartering services:



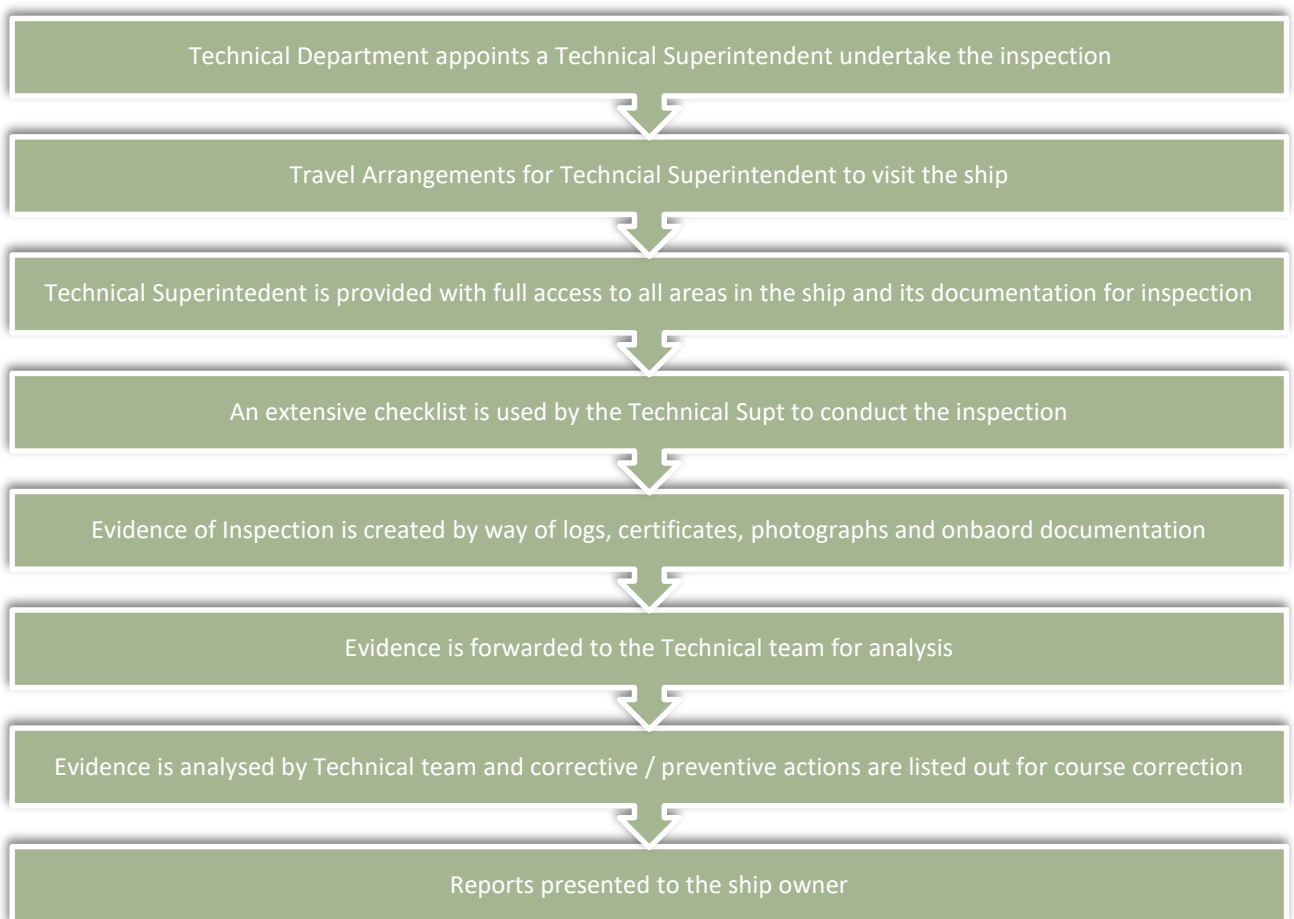
Ship Inspections, Survey and Certificate Liasoning.

Ship inspections services comprise of a thorough visual check on the vessel's physical structure and condition, testing of critical machinery and safety equipment, as well as a comprehensive review of its documentation and certificate history.

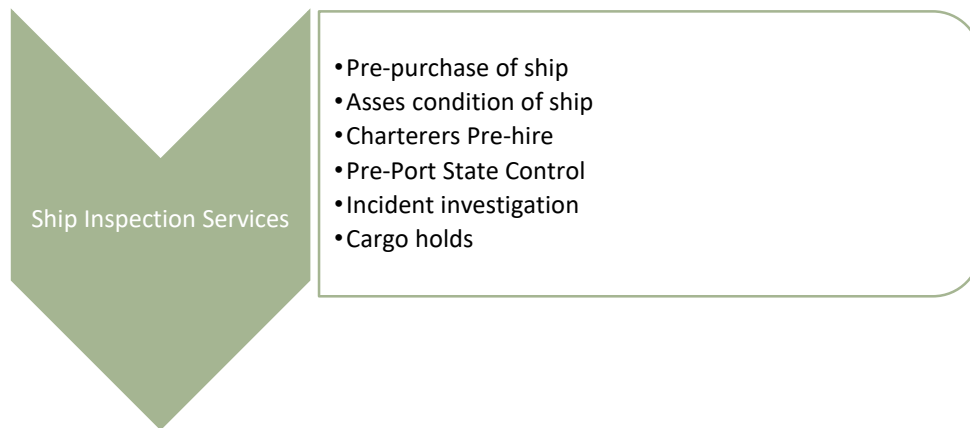
When they are Needed

- Pre-purchase
- Condition
- Charterers Pre-hire
- Pre-Port State Control
- Incident investigation
- Cargo holds

Pictoral representation of the activities involved in Ship Inspections and Certificate Liasoning:



Areas in which Ship Inspections are required



New Build & Ship Conversion Supervision

We offer our expertise throughout the entire procedure – from the design of the ship to the construction and its delivery to the owner. We have taken part in the building process of a variety of complex projects regarding vessels of the following types: DP-2 Offshore Supply Vessels, Workboats & Harbour Carfts.

We undertake Offshore Ship conversion work that includes working with Naval Architects and Classification Societies for feasibility studies, advanced design work, structural FEM analysis, stability and longitudinal strength calculations, complicated retrofit and vessel modification designs, inclusive of retrofit designs and calculations to improve vessel efficiency meeting the project requirements.

Pictoral representation of the activities involved in New Build & Ship Conversion Supervision:

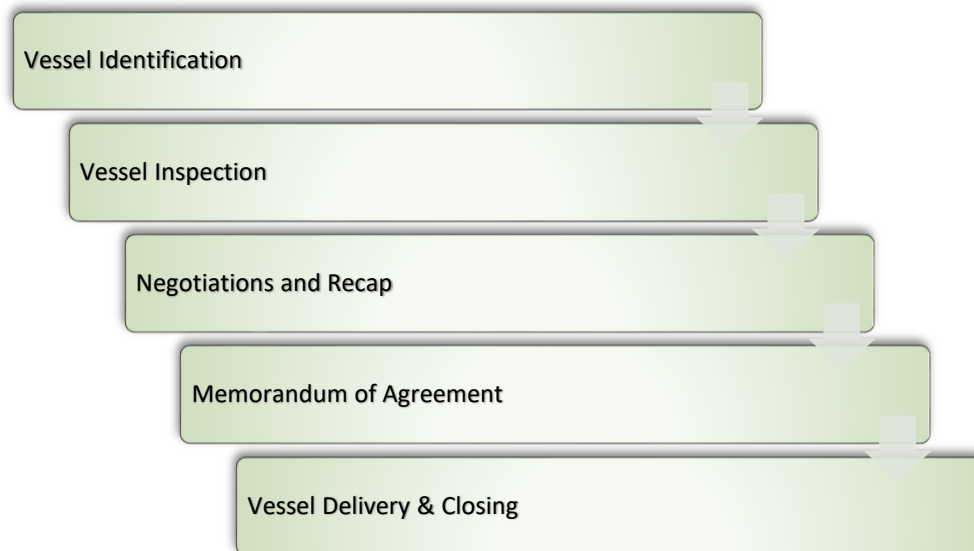


Ship Sale & Purchase

We are seasoned in acquisition and disposal of assets. The company has been in this business since 2002 and possesses an extensive network of contacts along with market experience to help potential buyers and sellers navigate the sale & purchase market.

We carry out pre-purchase inspections of existing ships and those still under construction at yards and are able to present the true asset condition, inclusive of any improvements and expected investments required. We report & give a balanced overview of each asset's condition. We endeavour to provide the client with all relevant and required information, enabling them to make considered decisions.

Pictorial Representation of the activities involved in Ship Sale & purchase:



Dry Dock Service

Dry-docking is one of the most important activities in a vessel's lifecycle. Every vessel is required to dry dock at least once every 5 years.

We identify objectives by engaging stakeholders, preparing comprehensive workscope specifications and executing the project according to plan. This way, we minimise unplanned expenses and ensure high quality.

Proper ship maintenance is crucial for the safety of the crew, the protection of the environment, and the longevity of the vessel. It also helps prevent costly breakdowns and ensures the ship's continued ability to perform its intended functions.

The specific tasks can vary depending on the type of ship, its age, its operational profile, and regulatory requirements, but below are some common elements of a typical vessel's docking maintenance activities.

1. Hull Maintenance:
2. Machinery and Systems Maintenance:
3. Electrical Systems Maintenance:
4. Navigation, Cargo loading and monitoring and Communication Equipment Maintenance:
5. Safety Equipment Maintenance:
6. Deck and Superstructure Maintenance:
7. Interior Maintenance:
8. Safety Inspections and Surveys:
9. Environmental Compliance:
10. Crew Training
11. Record-Keeping

Pictorial Representation of the activities involved in Dry Dock Services



Single Point Mooring (SPM) Services

A Single point mooring (SPM) is a floating buoy/jetty anchored offshore to allow the handling of liquid cargo such as petroleum products for tanker ships. SPM is mainly used in areas where a dedicated facility for loading or unloading liquid cargo is not available. Located at a distance of several kilometres from the shore facility and connected using sub-sea and sub-oil pipelines, these single point mooring (SPM) facilities can even handle vessels of massive capacity such as Very Large Crude Carriers (VLCC)

The product transfer system is located at the heart of the mooring buoy. The system transfers products to the tanker from the Pipeline End and Manifold located on the seabed. Flexible hoses known as risers connect the subsea pipelines to the buoy's product transfer system. The buoy is connected to the tankers using floating hose strings, which are provided with breakaway couplings. Single Point Mooring Systems use a swivel system which connects the Pipeline End and Manifold (PLEM) to the buoy.

We perform the inspection, repair and maintenance (IRM) services of the Single Point Mooring (SPM), both topside and subsea, to ensure the facility reliability and availability is maintained at the levels required. It also includes the pre- and post-berth inspection of the SPM.

This service also includes the preventive maintenance of the new facility which needs to be done from the moment of installation of the buoy and its handover to the final user/client.

Our SPM experience covers:

- Operations & Maintenance (O&M)
- Single Point Mooring Services
- Hose Inventory Management
- Hose Changeout
- Emergency Pipeline Repair Services
- Pipeline Solutions
- Interface Management
- Tanker Operations

The following Maintenance work is carried out:

- a) CALM Buoy Replacement



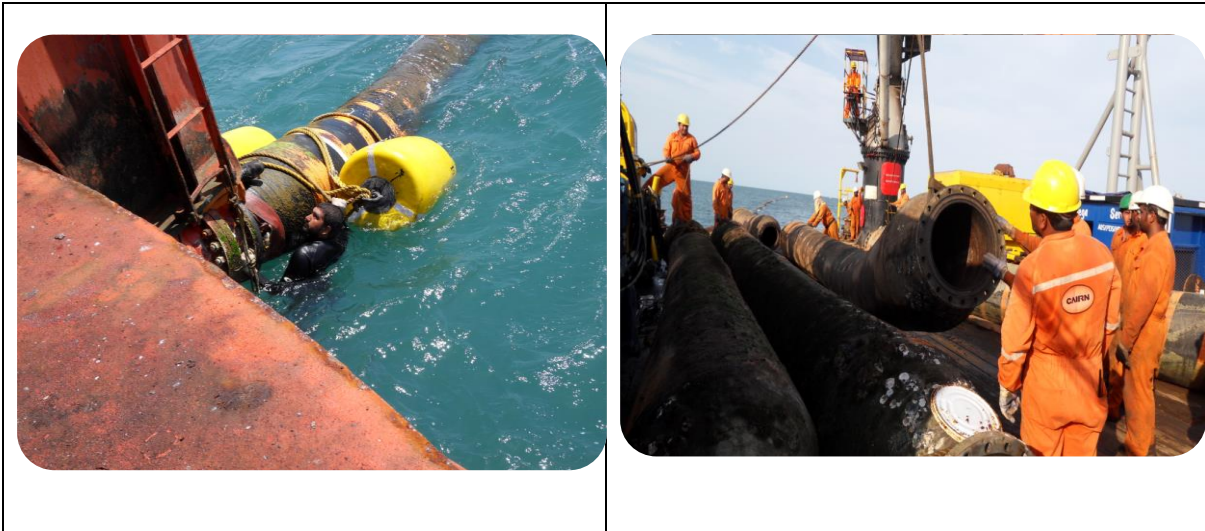
b) Chain Change Out



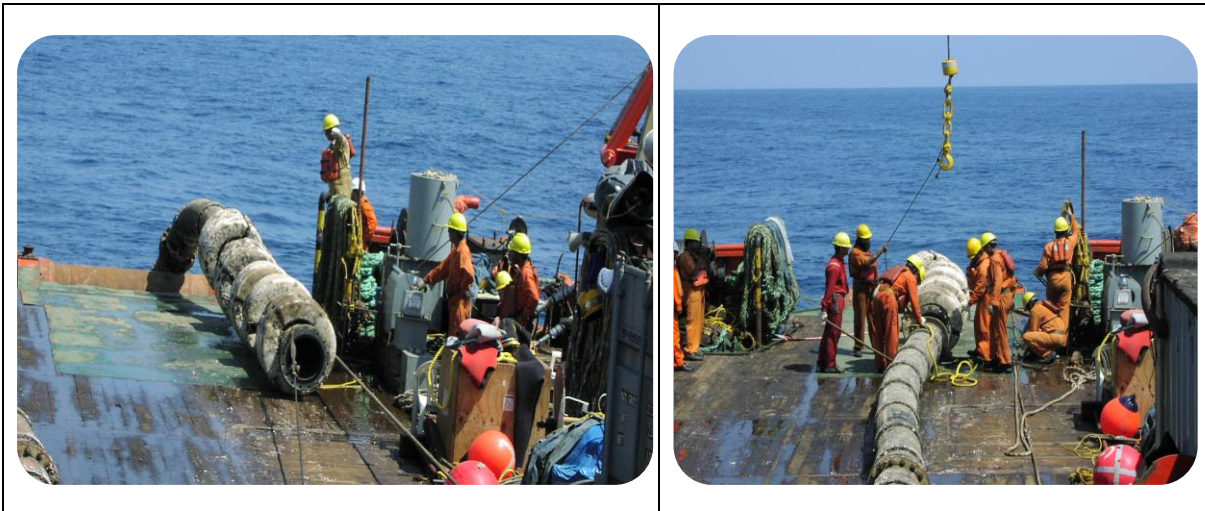
c) Boogie Wheels and Rail Change Out



d) Floating Hose Maintenance



e) Subsea Hose Change Out



f) Deferral to Dry Dock



C) PORT SERVICES

We are experienced in the providing the following services in the Port:

- Pilot Boat for Ship Pilotage

A pilot boat is a specialized vessel operated by Port Authorities. It is used to transport pilots to and from ships that are entering or leaving port. These boats are small, fast and designed to operate in a variety of weather conditions and sea states. These boats are equipped with a range of navigational and communication equipment.

When a ship is approaching port, it will send to the Port Authority for a Pilot. The Pilot boat is despatched with the Pilot to the ship. The Pilot board the ship and assumes responsibility for navigation the ship through the port and to its designated berth. Once the ship has docked, the pilot will disembark and return to the port on the pilot boat.

Additionally, pilot boats may be used for other tasks such as search and rescue operations, security patrolling, and other specialized maritime activities.



- Security Boat for Patrolling- Boats can be deployed by the Port Authorities in law enforcement missions such maritime security, surveillance, patrolling and mitigation of illegal immigration, counter piracy and

to help combat drug trafficking. These boats may also be used in the protection of marine environment. We manage these vessels through inhouse crew management and technical management processes.

- Vessel Mooring- Mooring Service means the act, carried out by a team of mooring men, of assisting the Master and, or the Pilot in safely securing a ship at a terminal including unmooring or changing the mooring of the ship, and includes any other work connected thereto. Major port authorities in India outsource this activity for greater efficiency and cost improvements for users.

We employ qualified, certified seamen available 24/7/365 for mooring, hauling in and out and shifting vessels at seaports. They moor ships of all sizes, carrying all types of cargo and in all weathers. We choose to work with local personnel who understands the local customs and speaks the native language.

- Oil spill response and maintaining Oil spill response equipment- All ports will have an Oil Spill Response Plan as per the directives of the Indian Coast Guard and Pollution Control Board. We supply qualified manpower for Oil Spill Response operation in port and for the upkeep of the Oil Spill Response equipment and other pollution control related works. They are available 24/7/365. The objectives of the Oil Spill Response Team are as follows:

- Assist in dealing with an accidental discharge of oil
- Set in motion the necessary actions to stop or minimize the discharge and to mitigate its effects.
- Ensure the safety of the personnel in the event of an oil spill
- Minimize the environmental impact of an oil spill
- Protect the shareholders assets
- Minimize business disruption
- Minimize risk of damage to the Group's reputation
- Minimize harm to people

- Supply of Fire Tender along with Fire Personnel for Port Fire Fighting Services- As per Oil Industry Safety Directorate Standard 156 for Fire Protection Facilities for Port Oil Terminals, Fire Tenders is one of the requirements to provide a reasonable level of protection from loss of life and property from fire and explosions at Port Terminal handling POL products and Hydrocarbons. Major ports and industries outsource this activity.

As part of our Marine Services, we build & supply water-cum-foam fire tender along with round the clock services of trained firemen for firefighting and operation of Firefighting equipment.





- **Harbour Tug Management & Operation-** In port areas, tugboats are used in collaboration with Pilots to guarantee maximum safety and avoiding possible accidents and collisions. The functions of a harbour tug are as follows:
 - To assist the vessel in docking and undocking manoeuvres.
 - To assist the vessel to turn in a limited space.
 - To offer the necessary support to counteract the force of the wind, waves or currents.
 - To help stop the vessel.
 - To tow, push or assist the vessel that has been left without means of propulsion or steering.
 - To transport floating artifacts from one place to another.
 - To offer escort, in anticipation of loss of government, to vessels with dangerous cargo in high-risk areas.

We manage these vessels through inhouse crew management and technical management processes

D) SHIP OWNING

Ship owning has been a long tradition for us and still remains the core business.

We presently own 5 vessels comprising of:

- DP-2 Multipurpose Offshore Supply Vessel
- Anchor Handling Towing Supply Vessel
- Harbour Crafts

In the medium term, the policy will be twofold: first, to carefully broaden the existing sectors of the ship owning business according to market fundamentals. Next, to look at other shipping areas that could fit into the existing system.

Pictorial representation of the activities involved in Ship Owning



Sales and Marketing

Since this is a business-to-business trade and does not involve retail sales, no significant marketing activities are carried out. However, our chartering team liaises with charterers from time to time and also studies market trends to understand the possibility of business opportunities.

We operate in a tender driven market. The major part of the revenue comes from customers who are Government and Public Sector Undertakings (PSU's). Hence in person marketing is not applicable. For other verticals like port services and ship management we provide brochure, calendars to make ourselves known in the public domain.

OUR STRENGTHS:

We believe that our future success will be principally attributable to the following competitive strengths:

Established brand name and reputation

We started our operations in 1992 and have been able to establish a reputation and strong customer relationships with various public sector undertakings and the Government. With more than four decades of experience of our Promoters, in our industry, we have been able to maintain a long standing relationship with some of our government customers. We intend to continue to leverage the goodwill of our brand to enhance our relationships with existing customers and to seek new customers to help us grow our business. We believe that our brand name and the reputation that our Company has built over the last three decades provides us with access to opportunities to bid for large contracts for our services.

We believe that our practice of in-house management gives us an end-to-end view of the management of each of our vessels and the costs involved, besides giving us control on how our vessels are managed. We believe that such in-house management enables us to understand our vessel's requirements better and helps us resolve issues expeditiously without having to deal with third party intermediaries. Further, we believe that our successful implementation of this process has contributed to maintaining the quality of our vessels at relatively lower costs and repair-related downtime.

A detailed explanation as to how we carry out the process of Ship Management is given below:

The term "Ship Management" meaning a maritime service rendered to maintain and operate vessels as commissioned by a ship owner. Rather than the ship owner, these duties can be performed via a third party ship manager. ABS Marine has been a ship manager since its inception in 1992 and has rendered such services to various ship owners both in the Government Sector and Private Sector

The Ship Management service involves the following:

1. Recruiting qualified and medically fit seafarers for the ship.

For the process of recruiting the seafarers, the company has an in-house Crewing Department whose job is to ensure the recruitment and on boarding of the seafarers for the ship. The seafarers' employment contracts are for a period of 3 months to 6 months on the expiration of which, they are replaced with another set of seafarers. In order to ensure continuous replacement on a back to back basis, the Fleet Personnel Department maintains a database of qualified and medically fit seafarers. The team also ensures that welfare measures for the seafarers are complied with.

2. Maintaining the machinery on the ship, arranging spares and stores for the same and arranging overhauling and repairs for the same

For the above process, the company has an in-house Technical Department which coordinates the maintenance work for the numerous machineries on the ship. The Technical Department conducts inspections on a periodic basis as and when the ship comes into port to ensure the upkeep of the machinery. It also coordinates with third party surveyors to ensure that the vessel's machinery certificates are valid at all times.

The Technical Department also coordinates with the following company's in-house departments

- Purchase Department to arrange for the purchase of spares and stores and other services required to maintain the machinery.
- QSHE (Quality, Safety, Health & Environment) Department for the complying with these standards on the ship
- Finance Department for the payment of vendor invoices.

3. Commercial and operational activities of the ship

For the purpose of above, the company's in-house Operations Department oversees

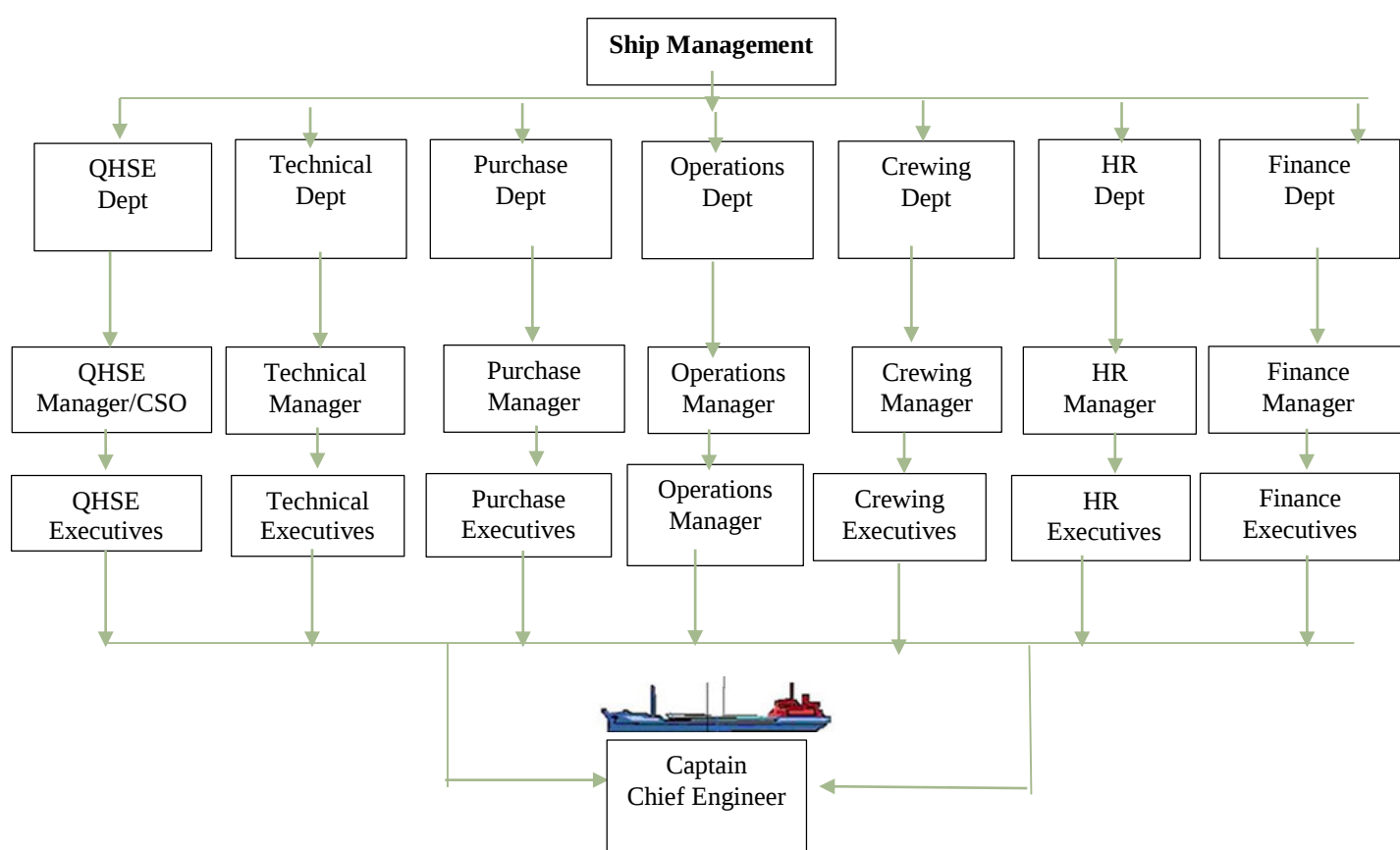
1. Chartering of the Ship, Pre Charter, On Charter, Post Charter, Planning the Carriage, Loading and Unloading Procedures, Monitoring Cargo, Maintenance, Cargo Damage and Claims
2. Post award monitoring and execution of contracts.
3. Continuously improving vessel safety and operational performance
4. Ship, Cargo and other maritime insurance and claims.
5. Manage vessel and contract tendering activity in provision of vessel information, best practices and cost input
6. Ensure compliance with local and international maritime regulations and standards in force.
7. Keeping coordination with internal and external stakeholders; Ship owners, Charterers, company departments (legal, sales, finances and accounting, logistics, technical), shipping agent, the ship master, port authority, port handling company, shipbroker, marine surveyor, etc.
8. Management of operating budgets.

Recruiting qualified personnel for the office

The company's in-house HR Department ensures that each Department within the office has qualified people to carry out the office jobs. It ensures that welfare measures for office staff are complied with. It coordinates with the Finance Department to ensure office wages are paid in time.

Since the company has all ship management expertise within its fold it is able to provide efficient & economical services for its owned vessels and for other ship owners.

A pictorial representation of the Ship Management:



GOVERNMENT AND OTHER APPROVALS

A. Other material approvals:

- i. We have obtained LEI code 2549003TUMZ15NDU8840 issued by the Legal Entity Identifier India Limited.
- ii. We have obtained Udyam Registration from Ministry of Micro, Small and Medium Enterprises, GOI bearing registration no. UDYAM-TN-02-0076133 issued on 17-08-2021
- iii. We have obtained Document of Compliance registration from the Government of India bearing registration no. DGS/DOC/22/1437 issued on 09-03-2022
- iv.
- v. We have obtained ISO certificate from DNV – Business Assurance bearing: ISO 9001:2015
- vi. We are registered on the Government e market place with our Seller id : DEWG210003164775
- vii. Company has applied for Shops and Establishment license for its registered office in Chennai and one branch office in Kochi. Company has however obtained its Shops and Establishment license for its Mumbai office. Shop and Establishment license is not Applicable for Kakinada, Andhra Pradesh, because it is only a satellite branch office with one person in employment and there are no operations or financial activities taking place.

V. **Approvals applied for but not received by our Company**

The Company has applied for Trademark and word mark of the Company as on 30.01.2024 and is still pending for approval. Further the Company has applied for shops and establishments for its Registered office and Kochin office as on 01.03.2024.