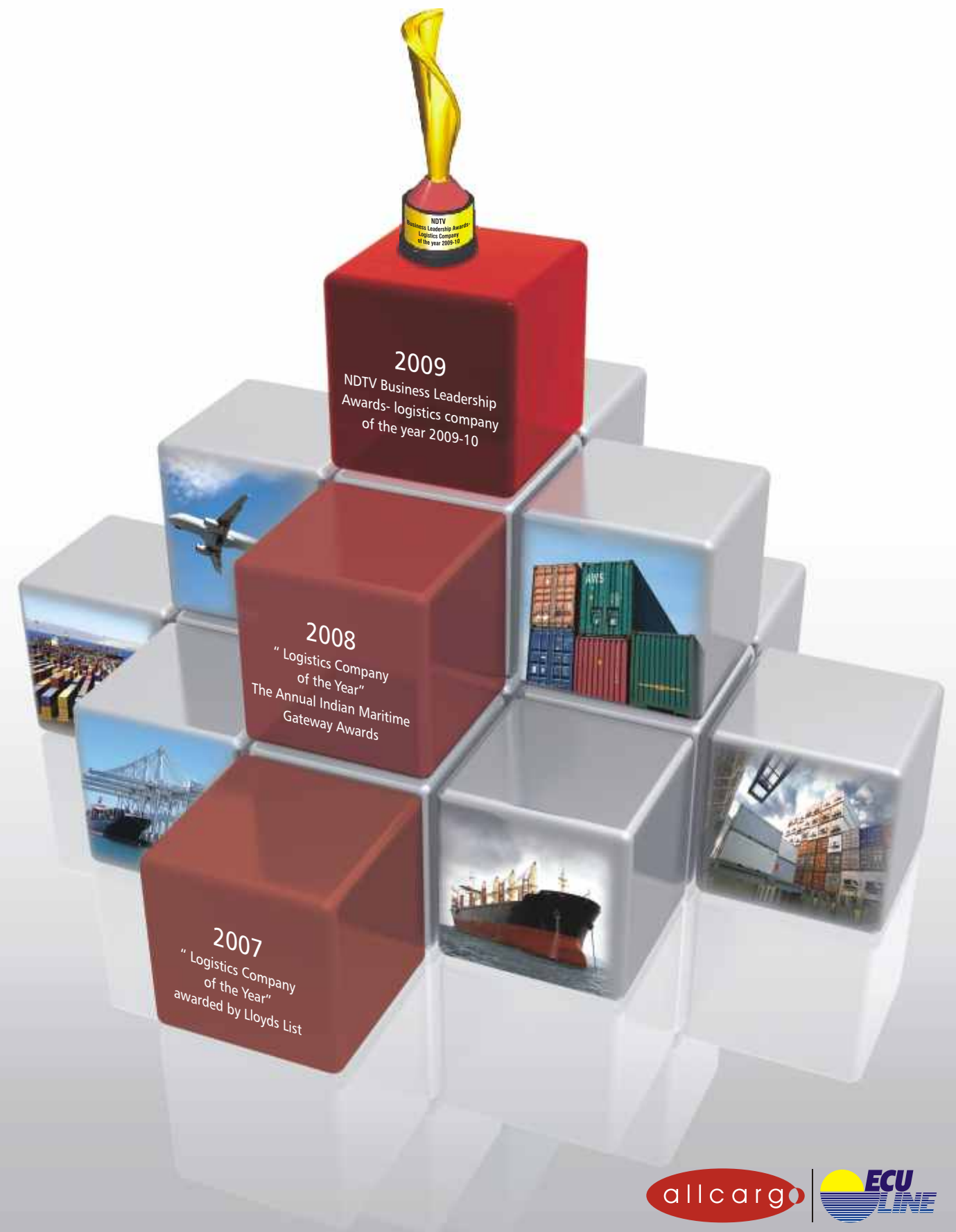


Unparalleled service. Infinite growth.



**Allcargo Global Logistics Limited**  
E-mail: [info@allcargoglobal.com](mailto:info@allcargoglobal.com) Website: [www.allcargoglobal.com](http://www.allcargoglobal.com)  
Mumbai: Tel.: 91-22-66798100 Fax: 91-22-66798195.

Designed by MX



Allcargo Top Management Team

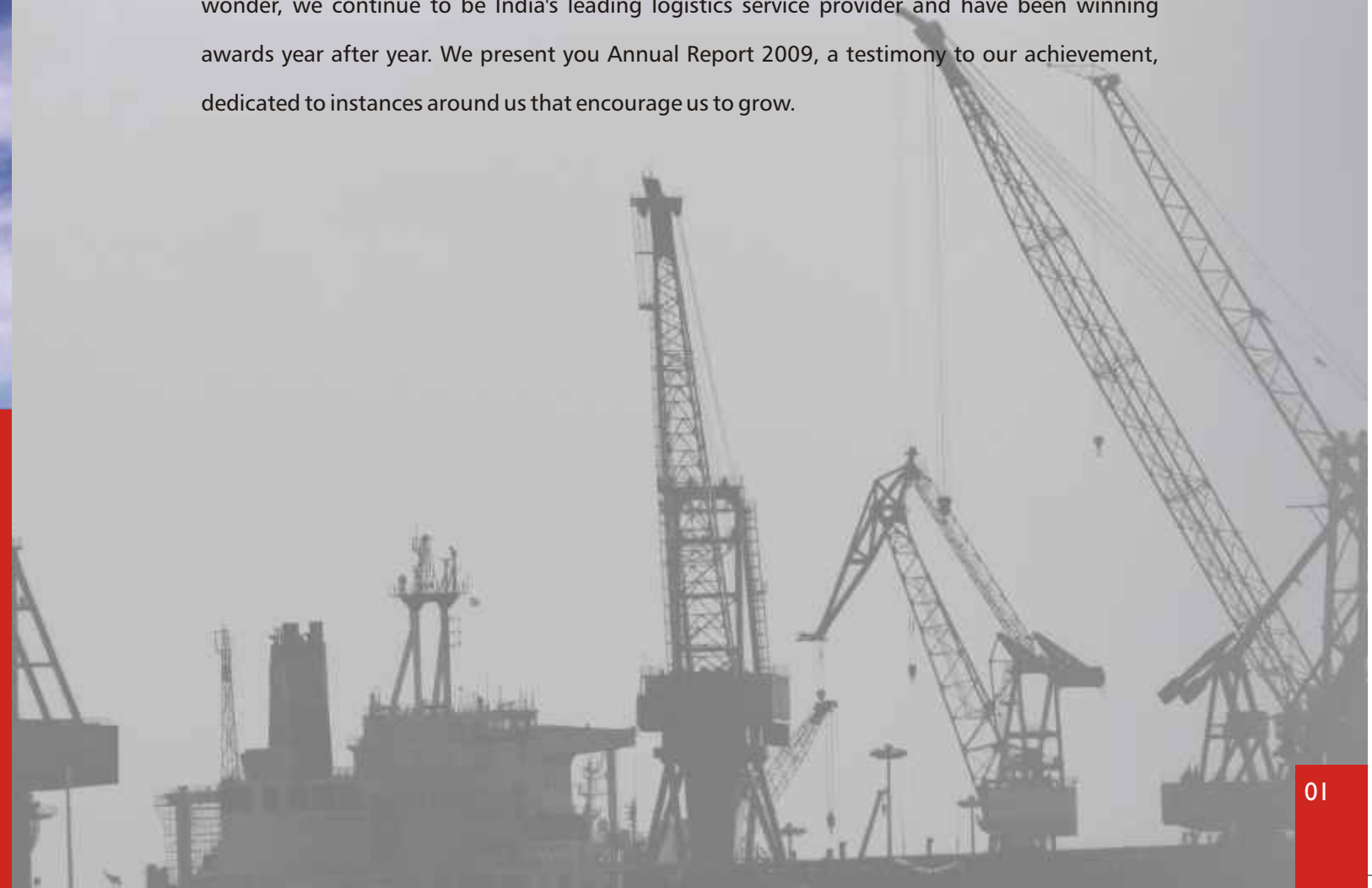






## Inspired to grow. Inspired to perform.

At Allcargo, we believe every achievement is an inspiration to move forward, every achievement is an encouragement to do more. It is this thought that helps us grow and tells us 'yes, we can'! No wonder, we continue to be India's leading logistics service provider and have been winning awards year after year. We present you Annual Report 2009, a testimony to our achievement, dedicated to instances around us that encourage us to grow.





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## Chairman's Statement

Dear Shareholders,

With immense pleasure, as Chairman & Managing Director of Allcargo Global Logistics Limited, I present before you the annual performance summary along with major milestones achieved by your company in the Year 2009.

Few other epochs in world history have seen such financial chaos and global crisis like the one in previous years. But 2009 was the year of consolidation where global economies, led by emerging markets, slowly traversed back to the path of recovery and consolidation. The first half of 2009 saw commodity prices bottoming out and further weakening of the economic data from across the globe. Contraction in the developed economies impacted India's growth and EXIM trade unfavorably. In spite of this trying economic environment, your company undertook significant steps towards preserving and enhancing the value of your investments. This period of uncertainty surrounding global economy notwithstanding, I am proud to inform you that the net income of your company has grown by 15% to INR 140.7 Cr from INR 121.6 Cr at the consolidated level.

Volatile times demand pervasive upgradation and flexibility in operations which can withstand both test of times and testing times. I am confident to proclaim that we have done well to weather these testing times to a large extent. Thanks to the wonderful performance of our people and confidence from customers, the company's overall financial performance has been stable in this period. The performance of Projects and Equipment divisions has been quite good. Our volumes at CFSs have remained steady, despite the drop in the global trade volumes, a trend evident in the financial crisis. However; the volumes started to slowly pick-up further since late last-year. I am also glad to inform that the overall performance of our global NVOCC business has been satisfactory even in the backdrop of a struggling container shipping industry.

Gradually, confidence is returning in the business world and the global economy has shown robust signs of recovery. Northeast Asia is acquiring enormous economic power with Korea and China influencing the trade flows. With our international presence, we are in a position to capitalize on these global opportunities. We, at Allcargo, had identified this prospect of geographical diversification to become leaner in operations well ahead of time, and have implemented our strategies in line with our long-term vision to capture these. Our core values of trust, leadership and team-spirit underlie our increasingly global and yet nimble business strategy, which has enabled us to leverage these opportunities towards sustainable growth of your company.

### New Services

Your company, Allcargo, has added Third Party Logistics (3PL) to its offerings in line with our long-term strategy to provide full-service play in the logistics space. Customers can now benefit from an integrated network of warehouses that will seamlessly connect cargo from the warehouse to ICD/CFS to the closest gateway port. The commencement of the 3PL division enables Allcargo to offer full service end-to-end-logistics through in-house expertise and facilities for freight forwarding, customs clearance, transport, warehousing and distribution services. With warehouses in Mumbai (Bhiwandi) and Goa (Verna) already operational and plans afoot for facilities in Indore, Hyderabad, Nagpur and Bangalore, we are on a steady expansion mode.

### Strategic Initiatives

We are focused on technology initiatives to extend our capabilities to serve our customers and to ensure better data-driven decision-making. To extend our ERP implementation process started last year, we are implementing the ERPs in Equipment and NVOCC divisions and changing the underlying financial system for the organisation. Your company will have these systems in place by the time you are reading this message.



Mr. Shashi Kiran Shetty  
Chairman & Managing Director





### People

We value the importance of our people in the realisation of our corporate vision. The readiness of people to commit to a vision depends in part on the quality of organisational leadership and interpersonal skills. Consequently, we are spending considerable time and effort in providing strategic coaching to our business leaders and motivating high-performers. We are developing a culture that emphasizes on leading and facilitating rather than directing and controlling; a culture in which managers add value by assisting and supporting their people, while also maintaining accountability.

### Awards and Honour

Your company has been chosen as the "Company of the year in the logistics category" at the prestigious "Business Leadership Awards-2009" organized by NDTV-Profit. This is a true recognition of consistency, performance and ability to serve our customers better. I believe that we will continue to take the lead in incorporating new ideas in our approach & business processes and redefine the benchmarks of success and excellence to create continuous value to you, our shareholders.

I am also happy to inform you that I have been conferred with E&Y Entrepreneur of the Year award in 'Service category' this year. I would like to express my gratitude to the stakeholders, customers and employees, who have shown faith in the company over the years. It would not have been possible without the constant trust and belief shown by you in the company.

In another noteworthy achievement, your company Allcargo has been the finalist for the esteemed "Lloyd's list global logistics company awards" last year. This further underscores our contribution to the global logistics landscape.

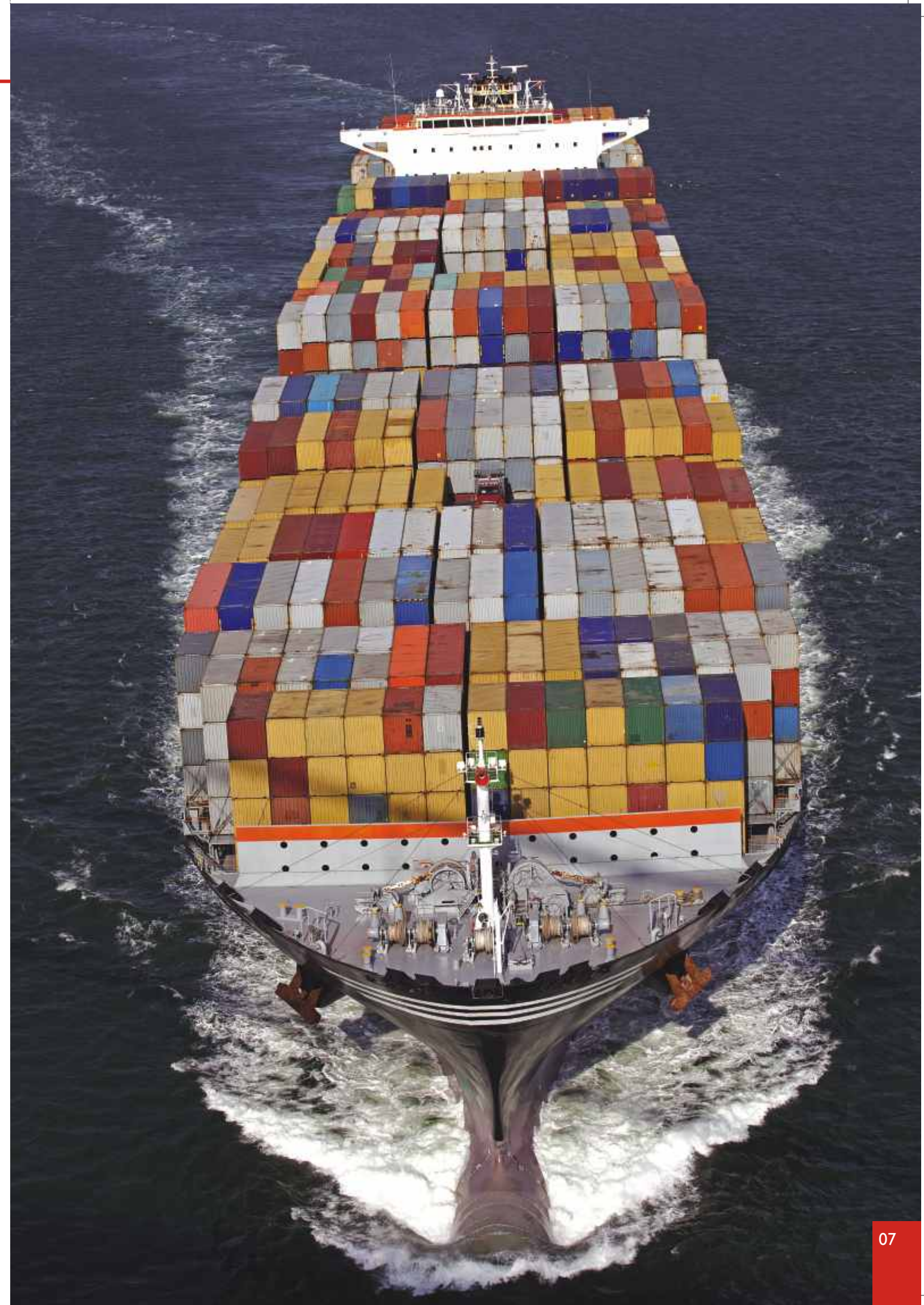
We are continuously striving to build an organization that exceeds the expectations of all our stakeholders through sustained business growth, creating more value for your investment and maintaining supreme standards of corporate governance. We are committed to guard our business through increased offering to our existing customers and also through expanding our customer base in new business areas by penetrating unexplored geographies in sync with our long-term vision.

Opportunities are unfolding in the global landscape; and with our growth-oriented strategies complemented by superiority in execution, I am confident that Allcargo is well prepared to tackle any challenge towards our pursuit of excellence in providing unparalleled services to our customers and strong growth in the value of investments.

On this note of optimism, I take this opportunity to thank you for the trust bestowed on the organization.

We are off to a very good start in the year 2010 and are confident of sustaining this growth momentum in the coming quarters.

With Warm Regards  
**Shashi Kiran Shetty**  
Chairman & Managing Director





## Our Business

### Container Freight Stations & Inland Container Depots (ICDs/CFS)

**Envisaging** the need for more port related infrastructure, Allcargo has invested in its own CFS/ICDs with world-class facilities. We are one of the largest operators in the country with three CFSs operational in Mumbai, Chennai & Mundra and one ICD facility in Indore.

We aim to provide comprehensive multimodal transport solutions, under a single 'Allcargo' umbrella. CFS/ICD operations are an integral part of our logistics services. The high LCL volumes handled by Allcargo along with our Multi-City Consolidation services necessitate custom-bonded CFS/ICD facilities for smooth flow of cargo.

Our CFS/ICDs have been rated as premium infrastructure facilities by our customers for their service deliverables and safety / security norms

**High safety and security standards. We assure you of high service deliverables and performance standards**

### Equipment Hiring and Transportation Division

**Constantly endeavoring** to scale newer heights and milestones in our product and service delivery model with Safety First! Always as our ultimate goal, Allcargo Equipment division is one of the top two leading equipment and transport rental companies in the country.

**A journey of a thousand miles has to start with a single step.** 1982 was the year we commenced our operations with just one forklift. Times have changed from then. Today we proudly announce a fleet of more than 500 specialized vehicles and equipment ranging from Telescopic Cranes, Truck Lattice Boom Cranes, Crawlers, Trailers, Reach stackers to Forklifts. We have a pan-India presence catering to various Multinational and Indian companies across industries like oil exploration, energy, power, construction and infrastructure.

**Beyond expectations. We assure State of the Art Engineering and Research & Development Centre (24 x 7):**

### Warehousing

Quality and performance. The **two benchmarks** that are reflected through our state-of-the-art design, top-in-class equipment and trained professionals across all levels. PEB structures with scientific racking system, our warehouses offer value-added services such as packaging, labeling, segregation etc. as per every customer's requirements

At Allcargo, we keep our customers needs at the centre and our services orbit around this nucleus. Our gamut of specialized logistics services includes transportation, project cargo movement, cargo consolidation, sea freight forwarding and air freight.

**Committed. We assure dedicated warehouses as well as multi-user facilities.**

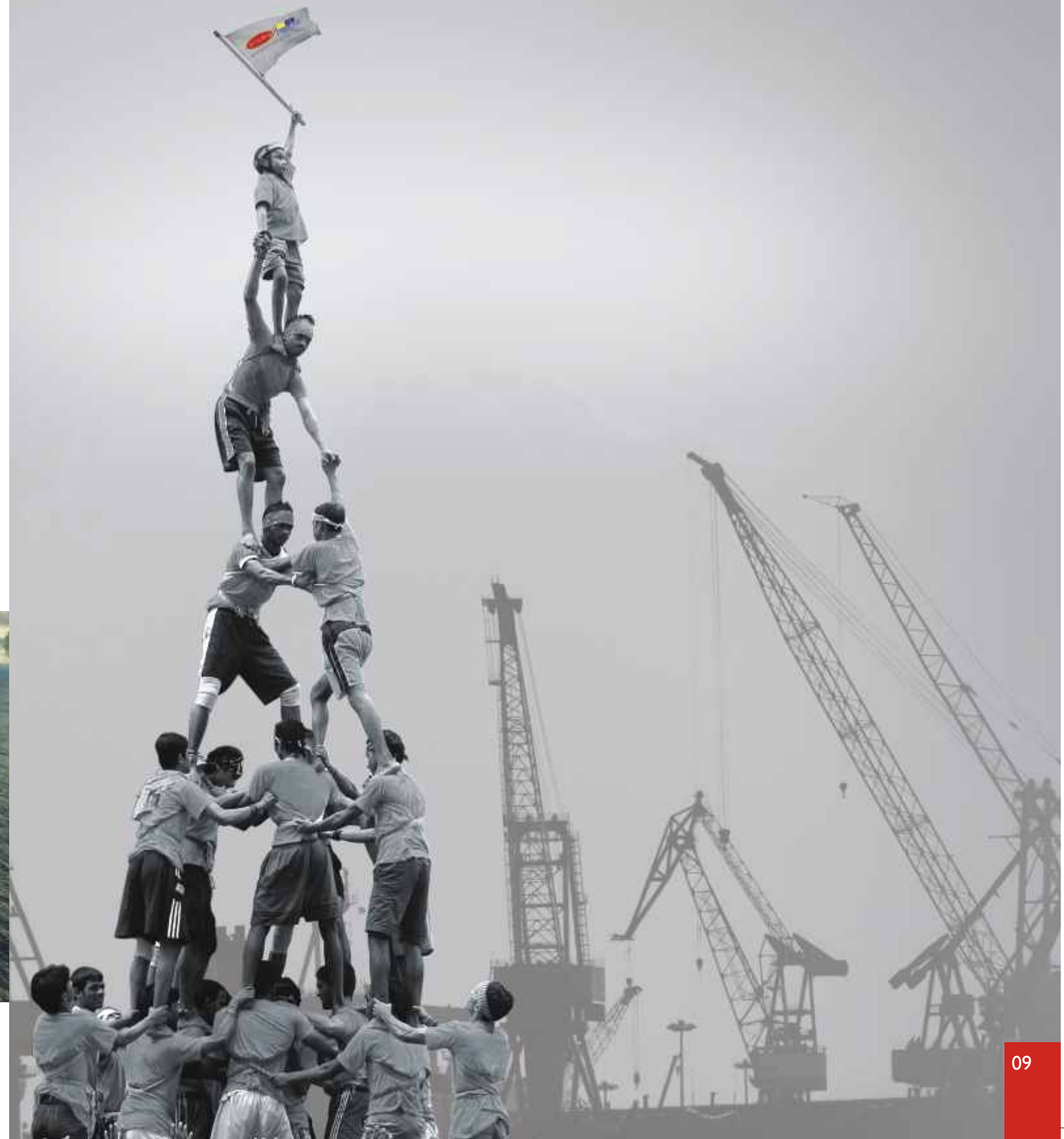


## Together we make it happen



**2009**

“Company of the year in the logistics category” at the prestigious “NDTV Profit Business Leadership Awards- 2009”





## Our Business

### LCL Consolidation Service

**Getting ahead. Its about time.** Our LCL Consolidation services have made us the **fore runners** in the logistics arena with the promise of one of the best

Allcargo actively liaises with shipping lines, port agents, local carriers and others for movement of your shipments taking on the onus of safe and time-bound deliveries and issuing bills of lading. We are pioneers of the NVOCC business in India and have built a strong global network of customers, offices, agents and partners.

A spectrum of integrated global NVOCC services is what we have on offer. This would include Ocean, Air and Land Logistics, LCL consolidation, FCL forwarding, Multi City Consolidation, Multimodal Transport Operations, Container Freight Logistics. All these services are backed with a host of other support services like road/rail transport, surveyors, carting point, stuffing and sailing schedule and routing options

**Time-tested processes, Global network. We assure you of hassle-free shipments.**

### Project Logistics

**Allcargo is poised** to carve off a large slice of this burgeoning market and play a leading role in the development of India's infrastructure what with the market for infrastructure development gaining at a more that steady pace. With one eye on the global economy, demand for project cargo logistics is estimated to scale new heights aggregating a growth of 18% in the coming years.

Since 2004, we offer services that include transportation of high value specialized equipment like oilfield equipment, power plants, compressor stations & other over-dimensional cargo that cannot be containerized on a turnkey basis. Industries we cater to include steel, power, refineries, energy, aluminum, oil and gas, cement infrastructure, engineering, etc

Allcargo's project cargo business has the necessary asset portfolio (trucks, special trailers etc) and manpower to successfully execute projects. We have successfully delivered several challenging projects comprising overseas consignments to India and vice versa.

**Out-of-the-box' thinking. We ensure cost-effective and safe solutions**



Success lies in a strong foundation

**2008**  
“Logistics Company  
of the year ”  
The Annual  
Indian Maritime  
Gateway Awards





## Global Presence

The world is a small place with Allcargo. With a network of 139 offices in 59 countries, there is no place too far away. Allcargo delivers to more than 5000 destinations around the world.



Dreaming is the first step to achieving

**2007**  
“Logistics Company  
of the year”  
awarded by  
Lloyds List





### Senior Management Team

**Mr. Umesh Shetty**  
Chief Executive Officer - Equipment Hiring

**Mr. Ashit Desai**  
Director - Corporate Affairs

**Mr. S. Suryanarayanan**  
Group Chief Financial Officer

**Mr. P. P. Shetty**  
HR Advisor

**Mr. Jatin Chokshi**  
Group Chief Investment Officer

**Mr. Hrushikesh Joshi**  
Group Chief Information Officer

**Mrs. Shantha Martin D'Souza**  
Chief Executive Officer - NVOCC

**Mr. T. G. Ramalingam**  
Chief Executive Officer - Projects

**Capt. Ashok Shrivastava**  
Sr. Vice President - Shipping Services

**Mr. Pramod Kokate**  
Vice President - CFS

**Mr. Nishant Kolgaonkar**  
Vice President - HR

### Company Secretary

Mr. Shailesh Dholakia

### Bankers

Standard Chartered Bank  
Axis Bank Ltd  
Yes Bank Ltd  
HDFC Bank Limited

### Statutory Auditors

**M/s Appan & Lokhandwala Associates**  
Chartered Accountants  
402, Shiv-Ahish, Plot No.10,  
19th Road, Chembur,  
Mumbai - 400 071.

### Internal Auditors

**M/s KPMG**  
Lodha Excellus,  
Apollo Mills Compound,  
NM Joshi Marg, Mahalaxmi,  
Mumbai 400 011

### M/s Pipalia Singhal & Associates

Chartered Accountants  
601 Janki Centre, 29,  
Shah Industrial Estate,  
Off Veera Desai Road,  
Andheri (West),  
Mumbai - 400 053.

### M/s C C Dangi & Associates

Chartered Accountants  
Mahendra Chambers, 2nd Floor,  
Above Mc Donallds,  
134/136, D. N. Road, Fort,  
Mumbai - 400 001.

### Solicitors

**M/s Maneksha & Sethna**  
Solicitors, Advocates & Notary  
8, Ambalal Doshi Marg,  
Hamam Street, Fort,  
Mumbai - 400 023.

### Registrar and Share Transfer Agents

Link Intime India Private Limited  
C-13 Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W).  
Mumbai - 400 078.

### Registered Office

Diamond Square, 5th Floor,  
CST Road, Kalina,  
Santacruz (East),  
Mumbai - 400 098  
Tel.: 022 - 6679 8100  
Fax: 022 - 6679 8195  
www.allcargoglobal.com

## Our Board of Directors



**MR. SHASHI KIRAN SHETTY,**  
Chairman & Managing Director



**MRS. ARATHI SHETTY,**  
Executive Director



**MR. ADARSH HEGDE,**  
Executive Director



**MR. KAIWAN KALYANIWALLA,**  
Non-Executive  
Independent Director



**MR. KEKI ELAVIA,**  
Non-Executive  
Independent Director



**MR. SATISH GUPTA,**  
Non-Executive  
Independent Director



**MR. RAJIV SAHNEY,**  
Non-Executive  
Independent Director

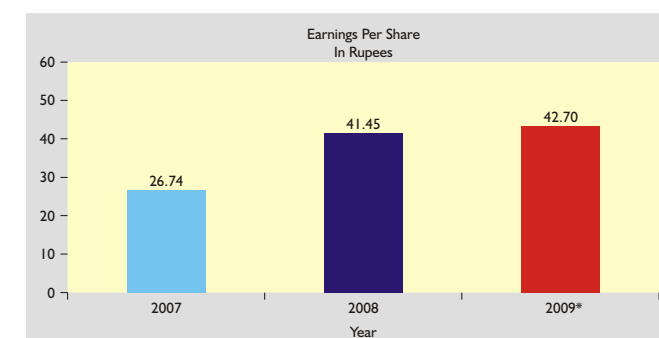
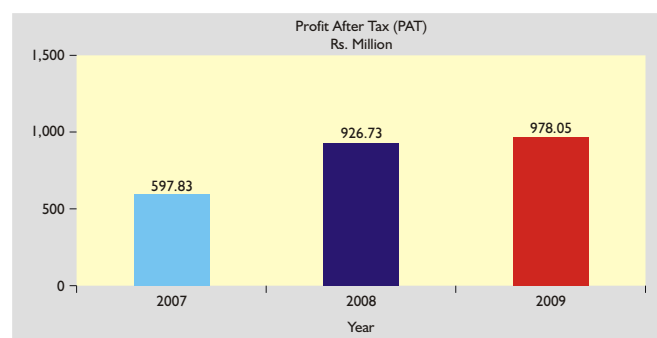
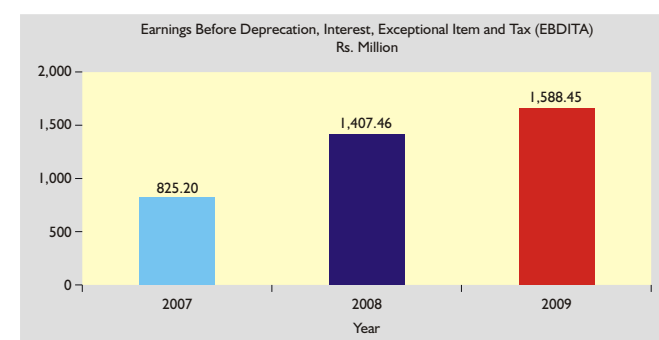
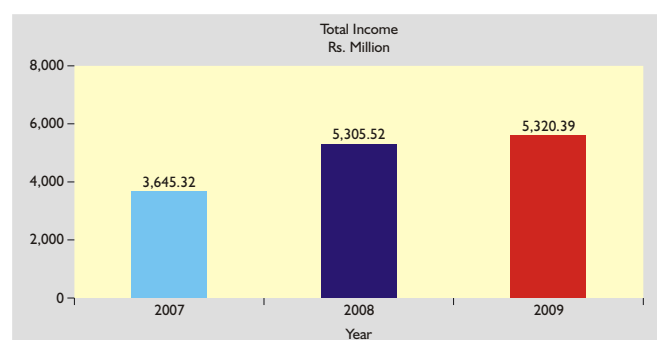


**MR. AKHILESH GUPTA**  
Non-Executive Director  
Blackstone Nominee Director

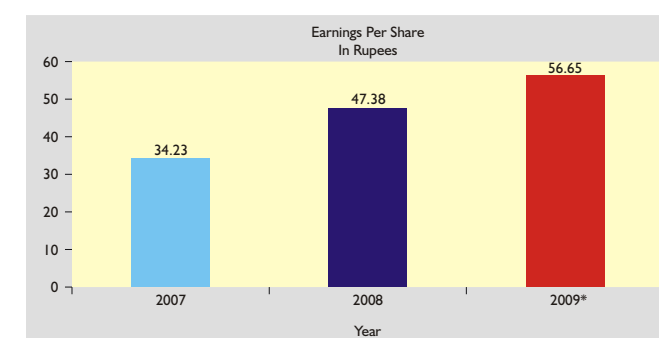
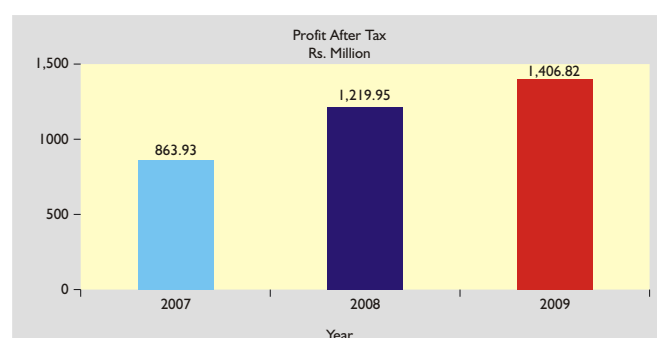
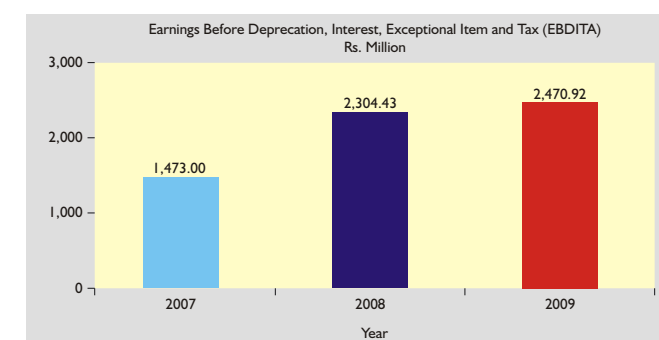
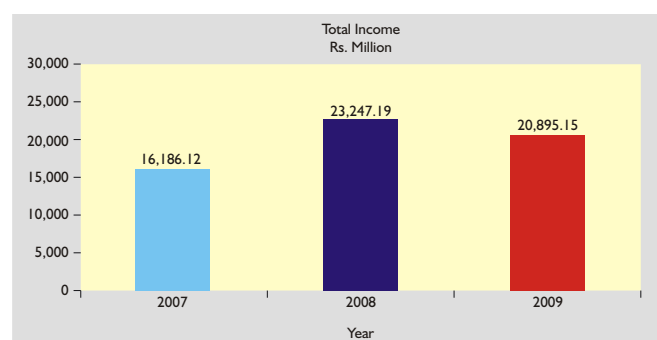


## Our Performance

### Standalone Financials



### Consolidated Financials



\* EPS has been calculated after adjusting the face value of Rs. 2/- per equity share to Rs. 10/- per equity share.

### Standalone Financial Highlights

(Rs. in Million)

	2009	2008	2007
Total Income	5,320.99	5,305.52	3,645.32
Profit Before Interest, Depreciation and Taxes	1,588.45	1,407.46	825.20
Interest	(149.64)	(124.47)	(20.95)
Depreciation	(376.34)	(254.69)	(142.02)
Profit Before Exceptional Items and Taxation	1,062.47	1,028.30	662.23
Provision for Tax	(84.42)	(164.25)	(105.22)
Exceptional Items	-	62.68	40.82
Profit After Tax & Exceptional Items	978.05	926.73	597.83
Profit Brought Forward from Previous Year	1,708.62	942.37	545.44
Prior Period Adjustments for Taxes and Expenses	1.75	(0.07)	(0.02)
Profit Available for Appropriations	2,688.42	1,869.03	1,143.25
<b>Appropriations:-</b>			
Interim Dividend Paid	62.42	-	40.51
Tax on Interim Dividend	10.61	-	6.89
Proposed Final Dividend	62.42	55.91	67.09
Tax on Final Dividend	10.61	9.50	11.40
Transfer to General Reserve	100.00	95.00	75.00
Balance Carried to Balance Sheet	2,442.36	1,708.62	942.37

### Consolidated Financial Highlights

(Rs. in Million)

	2009	2008	2007
Total Income	20,895.15	23,247.19	16,186.12
Profit Before Interest, Depreciation and Taxes	2,470.92	2,304.43	1,473.00
Interest	(231.64)	(248.54)	(123.47)
Depreciation	(544.70)	(447.22)	(252.28)
Profit Before Exceptional Items and Taxation	1,694.58	1,608.67	1,097.25
Exceptional Items	(27.39)	(31.40)	5.34
Provision for Tax	(260.37)	(357.32)	(238.66)
Profit After Tax	1,406.82	1,219.95	863.93
Profit Brought Forward from Previous Year	2,200.03	1,283.42	719.21
Prior Period Adjustments for Taxes and Expenses	0.30	(4.20)	0.09
Minority Interest	(107.63)	(138.72)	(98.42)
Profit Available for Appropriations	3,499.52	2,360.44	1,484.81



## Director's Report

To,

The Members of

Allcargo Global Logistics Limited

Your Directors take pleasure in presenting the Seventeenth Annual Report of the Company together with Audited Statement of Accounts for the year ended December 31, 2009.

### FINANCIAL HIGHLIGHTS

Your Company's performance during the year under review is summarized below:

Particulars	(Rs. in Million)	
	For the Year Ended 31.12.2009	For the Year Ended 31.12.2008
Sales & Other Income	5,320.99	5,305.52
Profit Before Interest, Depreciation and Taxes	1,588.45	1,407.46
Interest	149.64	124.47
Depreciation	376.34	254.69
Profit Before Exceptional Items and Taxation	1,062.47	1,028.30
Exceptional Items	--	(62.68)
Provision For Tax	84.42	164.25
Profit After Tax	978.05	926.73
Prior period adjustments for tax and expenses	1.75	0.07
Profit brought forward from previous year	1,708.62	942.37
Amount available for Appropriations	2,688.42	1,869.03
<b>Appropriations:</b>		
Interim Dividend	62.41	--
Tax on Interim Dividend	10.61	--
Proposed Dividend	62.42	55.91
Tax on Dividend	10.61	9.50
Transfer to General Reserve	100	95.00
<b>Profit carried to Balance Sheet</b>	<b>2442.36</b>	<b>1,708.62</b>





## REVIEW OF OPERATIONS

The year under review was challenging and opportunistic for your Company. In spite of global economic turmoil and slower industrial growth, your Company witnessed an improved performance on all parameters. This was possible because of focused management approach, efficient project execution, reduction in cost and prudent financial and human resources management.

### Stand-alone Performance:

Your Company has achieved a turnover of Rs. 5,167.56 million and earned a net profit of Rs. 978.05 million as compared to turnover of Rs. 5,167.91 million and net profit of Rs. 926.73 million in preceding financial year, representing 5.54% growth in net profit. Earnings before interest, tax and depreciation (EBITDA) is Rs.1,588.45 million as compared to Rs.1407.46 million in preceding financial year, representing 12.86% growth.

### Consolidated Performance:

Your Company has achieved a turnover of Rs.20,609.33 and earned a net profit of Rs. 1,299.49 million as compared to turnover of Rs. 23,140.82 million and net profit of Rs. 1,077.02 million in preceding financial year, representing 20.66% growth in net profit, on consolidated basis. Earning before interest, tax and depreciation (EBITDA) is Rs. 2,470.92 million as compared to Rs.2,304.43 million in preceding financial year, representing 7.22% growth, on consolidated basis.

Overall, the company is on a strong growth path and its efforts to improve efficiency, productivity and profitability will improve overall returns.

For detailed segment wise performance members are requested to refer Management Discussion And Analysis Report annexed to this report.

## APPROPRIATIONS

Considering the profitable performance of the Company during the year under review, your Directors are pleased to recommend final dividend @25% (Rs. 0.50 per equity share of Rs.2 each) to the members of the Company. The Dividend, if approved by the members at the ensuing Annual General Meeting, together with interim dividend @ 25% paid in November 2009, will absorb a sum of Rs. 146.06million including dividend distribution tax.

## SUBSIDIARY COMPANIES

During the year under review, your Company acquired 100% equity stake in Sealand Terminals Pvt. Ltd. through its wholly owned subsidiary company viz. Contech Transport Services Pvt. Ltd.

Eurocentre Milan SRL and Guldary S.A were incorporated as wholly owned subsidiary companies under Ecu Group of companies. Your Company also increased its equity stake in Ecu Line Switzerland GmbH, and Ecu Line SA (Pty) Ltd. to 100% through Ecu Hold NV.

The stand-alone audited financial statements of all subsidiaries operating in India and Overseas are not attached to this report in view of exemption u/s 212(8) of the Companies Act, 1956 applied to the Ministry of Corporate Affairs, Government of India, which is expected. The statement pursuant to Section 212 of the Companies Act, 1956 relating to the subsidiary companies along with a statement of financial highlights of subsidiaries operations providing relevant details are attached and form part of this Annual Report.

The Company will make available the Annual Accounts of the subsidiary companies and related information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the registered office of the Company.

## CONSOLIDATED FINANCIAL STATEMENTS

As per the Listing Agreement with the Stock Exchanges, the attached Consolidated Financial Statements have been prepared in accordance with the Accounting Standard AS-21-Consolidated Financial Statements read with Accounting Standard AS 23-Accounting for Investment in Associates and Accounting Standard AS 27-Financial Reporting of interest in Joint Ventures, which includes financial results of its subsidiaries, joint ventures and associates companies forms part of this Annual Report.

## EMPLOYEES STOCK OPTION PLAN 2006

Disclosures pursuant to Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, relating to the Company's ESOP Scheme as on December 31, 2009 are annexed to this report.

A certificate from the Statutory Auditors of the Company M/s Appan & Lokhandwala Associates, Chartered Accountants, Mumbai, with respect to the implementation of Company's ESOP Scheme, will be placed before the Members at the ensuing Annual General Meeting and a copy of the same shall be available for inspection at the Registered Office of the Company on all working days, except Saturday and Sunday, between 11.00 a.m. to 2.00 p.m., upto the date of Annual General Meeting.

## SHARE CAPITAL AND LISTING OF SHARES

During the year under review, your Company had issued and allotted 2,594,595 equity shares of Rs.10 each at a premium of Rs.924 per equity share upon conversion of Fully and

Compulsorily Convertible Debentures and Warrants issued to Blackstone Entities on preferential basis. Your Company further issued and allotted 4,047 equity shares of Rs.10 each to its employees against exercise of options granted to them under "Allcargo Employee Stock Option Plan 2006".

In November 2009, your Company sub-divided the face value of its equity shares from Rs.10 per equity share to Rs.2 per equity share. Accordingly, the issued, subscribed and paid up share capital of the Company as on December 31, 2009 after sub-division was Rs.249,622,530 divided into 124,811,265 equity shares of Rs.2 each.

Your Company has increased the Authorised Share Capital from Rs.300,000,000 divided into 150,000,000 equity shares of Rs.2 each to Rs.350,000,000 divided into 175,000,000 equity shares of Rs.2 each.

The Equity Shares of the Company are listed and traded in compulsory dematerialized form on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Your Company has paid the Annual Listing fee and Annual Custody fees to the Stock Exchanges and Depositories up-to-date.

## AMALGAMATION

With a view to consolidate logistic business under one roof and for better administration, control and management, your Company has decided to amalgamate Sealand Terminals Pvt. Ltd., a wholly owned subsidiary of the Company, with itself with effect from April 1, 2009, pursuant to the Scheme of Arrangement made under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

Your Company has presented the Scheme of Arrangement to the Hon'ble Bombay High Court for issue of necessary directions for holding / dispensation from holding meetings of its shareholders and creditors and thereafter approval of the Scheme.

The present financial statements do not contain the financials of Sealand Terminals Pvt. Ltd. effect of which will be given on approval of the Scheme by the Hon'ble Bombay High Court.

## AWARDS AND RECOGNITION

Your Company has been awarded "Company of the Year in the Logistics Category" at the prestigious "NDTV Profit Business Leadership Awards-2009" held in Mumbai on October 26, 2009. In another noteworthy achievement your company has been the finalist for the esteemed "Lloyd's List Global Logistics Company Awards."

Your Company believes that winning of such recognition was due to the hard work, passion and spirit of team work of the employees and thought leaders, whose novel thinking and innovative approach have led them to attain excellence in their field. This further underscores your Companies contribution to the Global

Logistics Landscape.

Mr. Shashi Kiran Shetty, Chairman and Managing Director, of your Company was also awarded as the "Entrepreneur of the Year" for excellence in services by Ernst & Young. He dedicated his award to all the employees of the Company who dedicated themselves to help him to achieve this honor. He also thanked all the stakeholders for supporting him and believing in the Company.

## DIRECTORS

Mr. Shashi Kiran Shetty was appointed as Managing Director of the Company for a period of 5 years commencing from April 1, 2005. In accordance with the terms of his appointment, his term of office expired on close of business hours on March 31, 2010. However, he continues to act as the Director of the Company.

Looking at the efforts put by Mr. Shashi Kiran Shetty in developing and expanding the business operation of the Company and the growth and progress made by the Company under his leadership on year on year, the Board recommends re-appointment of Mr. Shashi Kiran Shetty as Chairman & Managing Director of the Company for further period of five years effective from April 1, 2010 on the terms & condition and remuneration recommended by the Remuneration Committee of the Company.

In accordance with the provisions of the Companies Act, 1956 and that of Articles of Association of the Company, Mr. Keki Elavia and Mr. Satish Gupta, Directors of the Company, retire by rotation at the ensuing Annual General Meeting. Being eligible, they offered themselves for re-appointment. The Board recommends their re-appointment.

Brief resume of Mr. Shashi Kiran Shetty, Mr. Keki Elavia, and Mr. Satish Gupta as required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is included in the Corporate Governance Report annexed to this Annual Report.

## AUDITORS

M/s. Appan & Lokhandwala Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends re-appointment of M/s. Appan & Lokhandwala Associates as Statutory Auditors of the Company for the current financial year and to fix their remuneration.

## PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 58A and Section 58AA of the Companies Act, 1956 and rules made there under.



**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2009 and of the profit of the Company for the year ended on that date;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) they had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE**

Your Company has been benchmarking itself with well established Corporate Governance practices besides strictly complying with the requirements of Clause 49 of the Listing Agreement. Given the emerging pivotal role of Independent Directors in bringing about good governance, your Company continues its efforts in optimum utilizing their expertise and involving them in all critical decision making processes.

A separate report on Corporate Governance together with requisite certificate from M/s Mehta & Mehta, Practising Company Secretaries, confirming compliances with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed and forms part of the Annual Report.

The declaration regarding compliance with the Code of Conduct prescribed by the Company for Directors and Management Personnel forms part of report on Corporate Governance.

**CORPORATE SOCIAL RESPONSIBILITY**

Your Company is continuing focus on education, health & social well being of the society. During the year, your Company contributed substantially towards cost of constructing college for Higher Education.

To promote the focus on education, your company has policy of offering scholarship to the students and it ensures that the initiative brings the right result in the form of appreciation, recognition and financial assistance. Your company also assists and extends financial help for medical treatment of under privileged class of the society by visiting the hospitals from time to time.

Apart from these initiatives, your Company also participates in and

contributes to the various Charitable Trusts with prime focus on furthering education, health and other noble causes for under privileged class of the Society.

Your Company has continued its sponsorship to Akanksha centre as mentioned in the last year's report.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in Annexure I annexed to this report.

**PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. A member, who is interested in obtaining such particulars, may write to the Company Secretary at the registered office of the Company.

**ACKNOWLEDGEMENTS**

Your Directors take this opportunity to place on record their gratitude for the valuable support and co-operation extended during the year by the Government of India, Governments of various countries, the concerned State Governments and other Government Departments and Agencies, the Stakeholders, Business Associates including Bankers, Financial Institutions, Vendors and Service Providers.

Your Board also wishes to place on record their appreciation for the dedication and commitment shown by the employees at all levels who have contributed to the success of your Company.

For and on behalf of the Board of Directors

Shashi Kiran Shetty  
Chairman & Managing Director

Place: Mumbai

Date : April 07, 2010

**Annexure I**

**Conservation of Energy:**

Even though operations of the Company are not energy intensive, your Company has always strived to optimize energy consumption.

Power and fuel consumption

Particulars	For the Year Ended 31.12.2009	For the Year Ended 31.12.2008
<b>Electricity</b>		
<b>Through Purchases</b>		
Purchased Units	1,666,211	2,203,802
Total Amount (Rs.)	16,896,831	15,827,817
Rate / Unit (Rs.)	10.14	7.18
<b>Through Diesel Generator</b>		
Units Generated	298,489	322,498
Total Amount (Rs.)	3,275,241	3,816,838
Cost / Unit (Rs.)	10.97	11.84

**Technology Absorption:**

Your Company believes in continuous process improvement and in 2009 the company initiated an enterprise wide system modernization program. The company has plans to invest into new systems and technologies to further enhance operational efficiency and also effectively serve our customers. Extensive efforts were undertaken by the management team to map out AS-IS and TO-BE business processes and this was followed by detailed evaluation of industry standard products to confirm right fit. The company has decided to adopt "best of breed" approach and new set of business applications will be deployed in 2010 across different verticals. This will include deployment of a common accounting backbone which will be tightly integrated with the operational systems for each business vertical. A common accounting system will help in consolidation activities at a group level, standardize and automate key financial processes across divisions, ensure process consistency and also build a strong compliance framework.

The company's corporate website also underwent an overhaul and it now sports a fresh look wherein the contents have been re-organized to help our customers and investors easily access information. The infrastructure and network group has also driven various "Green IT" initiatives to contribute towards environment. Initiatives such as virtualization of servers and desktops, video conferencing etc have been successfully implemented and new policies are being implemented to ensure IT is less polluting and more energy efficient.

Various other IT initiatives undertaken across different business verticals is summarized below.

**MTO**

The MTO division will be migrating to a single instance application in 2010. This will provide greater visibility, enhance process controls and improve customer satisfaction. The focus in 2009 revolved around process re-engineering and TQM program was successfully piloted in this division. Detailed planning and simulation exercises have been undertaken to ensure the transition to the new system in 2010 happens in a seamless manner.

**3PL**

Your company has invested into an industry standard WMS (Warehouse Management System) from INFOR for its Goa operations. This application manages all the operational activities at the warehouse including inbound, putaway, order processing, outbound processing, cycle counts, adjustment and billing activities. This application also has the capability to interface with standard ERP systems and various other features will be activated in 2010 as we scale up operations for this division.

**Equipment Hiring**

For the two main functions at the Equipment Division (Operations & Engineering), the company has selected an EAM (Enterprise Asset Management) system from INFOR. EAM is a widely deployed, web-architected, and technically advanced enterprise asset management system and this software will enable your company to proactively manage assets, asset information, and maintenance activities. This system will be deployed in April 2010 and detailed planning and preparations have been undertaken in 2009.

**CFS / ICD**

The CFSMS application used at our CFS division was further enhanced and 4 new modules were developed to cover scanning, hazardous, console and auction requirements. The export module of this application was also deployed at Chennai and Mundra. A new vehicle tracking system was also developed to track trips and also calculate fuel and driver incentives. This system ensures there are tight controls in place and contributes to improved operational efficiency.

**Project Cargo**

New functionality relating to MIS, customer interface, track & trace and CRM was developed in the PCMS system used by Project Cargo division.

**Foreign Exchange Earnings and Outgo:**

Particulars	(Rs. in Million)	
	For the Year Ended 31.12.2009	For the Year Ended 31.12.2008
Total Foreign Exchange Outgo	21.26	505.54
Total Foreign Exchange Earned	300.17	347.75



**Annexure II**

**Disclosures pursuant to Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999**

Pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI guidelines"), your Company had framed and instituted 'Allcargo Employee Stock Option Plan – 2006' to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company. Your Company granted stock options to be adjusted for the subsequent bonus issue prior to its Initial Public Offering of equity shares, to its permanent employees. The Company also granted stock options to few of the permanent employees of its foreign subsidiaries post Initial Public Offering at varying numbers depending upon their grades.

During the year under review, the Company had vide Members approval sought by way of postal ballot voting, sub-divided the face value of equity shares from Rs. 10 per equity share to Rs.2 per equity share. Accordingly the Remuneration / Compensation Committee at its meeting held on December 4, 2009 has adjusted the options granted to give effect of the sub-division.

The following table sets forth the particulars of stock options granted (after giving effect of sub-division) under Allcargo Employee's Stock Option-2006 as on December 31, 2009:

Particulars	Series I(Pre-Listing)	Series II(Post Listing)
Gross options granted	191,500	65,000
Pricing formula	The stock options granted have been re-priced at Rs. 2/- per option being the face value of equity share after sub-division.	The stock options granted have been re-priced at Rs. 2/- per option being the face value of equity share after sub-division.
Options vested	71,095	36,750
Options exercised	31,240	Nil
The total number of equity shares arising as a result of exercise of options	31,240	Nil
Options lapsed/expired	93,595	12,500
Variation of terms of options	Nil	Nil
Money realized by exercise of options	62,480	Nil
Total number of options in force	66,665	52,500
Employee-wise details of options granted to:		
(i) Senior Managerial Personnel	As per statement attached	As per statement attached
(ii) Any other employee receiving a grant in any one year of option amounting to 5% or more of the options granted during the year.	Nil	Nil
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS 20 'Earning Per Share')	Rs. 8.53	Rs. 8.53
Difference, if any, between the employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost recognized if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company.	The Company has charged a sum of Rs. 785,536/- being the fair value of options granted under ESOP 2006 (Series I) for the year ended December 31, 2009.	The Company has charged a sum of Rs. 1,711,168/- being the fair value of options granted under ESOP 2006 (Series II) for the year ended December 31, 2009.

Particulars	Series I(Pre-Listing)	Series II(Post Listing)
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable	Not Applicable
Description of the method and significant assumptions used during the year to estimate fair values of options, including the following weighted average information:		
(i) Risk-free interest rate	7.20%	7.50%
(ii) Expected life	4 years	4 years
(iii) Expected volatility	Nil	50%
(iv) Expected dividend yield	1.5%	1.5%
(v) Price of the underlying share in market at the time of option grant.	Rs. 685.88	Rs. 786.95

Person-wise details of options granted to senior managerial persons of the Company:

Name of Senior Managerial Personnel	Number of options granted	Number of equity shares issuable upon exercise of options
Mr. Ashit Desai	2500	2500
Mr. Jatin Chokshi	2500	2500
Mr. Pramod Kokate	2500	2500
Mrs. Shantha Martin D'souza	2500	2500

Person-wise details of options granted to senior managerial persons of foreign subsidiaries of your Company:

Name of Senior Managerial Personnel	Number of options granted	Number of equity shares issuable upon exercise of options
Mr. Mark Stoffelen	12,500	12,500
Mr. Kris DeWitte	12,500	12,500
Mr. Simon Bajada	12,500	12,500
Mr. Franky Van Doren	5,000	5,000
Mr. Raymond Yap	5,000	5,000
Mr. Hendrik Smuts	5,000	5,000

Pursuant to the SEBI guidelines, the excess of the market price of the underlying equity shares as of the date of grant over the exercise price of the option, including upfront payments, if any, is to be recognized and amortized on a straight line basis over the vesting period. Accordingly, the Company has debited a sum of Rs.2,496,705 to the profit and loss account for the year ended December 31, 2009, as employee compensation cost.

The equity shares issued and allotted under the ESOP 2006 of the Company are pari-passu in all respects including dividend with the existing equity shares of the Company.

**Statement containing information u/s 212(5) of the Companies Act, 1956**

1	Any change in the holding company's interest in Allcargo Logistics Park Pvt. Ltd, the subsidiary company, between the end of its financial year as on March 31, 2009 and the end of Allcargo Global Logistics Ltd., the holding company's financial year on December 31, 2009	Nil
2	Details of any material changes which have occurred between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of:	
	(i) the subsidiary's fixed assets	Nil
	(ii) its investments	Nil
	(iii) the moneys lent by it	Nil
	(iv) the moneys borrowed by it for any purpose other than that of meeting current liabilities	Nil



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE YEAR ENDED DECEMBER 31, 2009

No.	Name of the Subsidiary Company	The Financial Year of the Subsidiary Company ended on	Holding Company	Extent of holding (%)	Face value of share	Number of shares held by the holding company and/or its subsidiaries	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is dealt with in account of holding company:	
							For the financial year ended on December 31, 2009	For the previous financial years of the subsidiary since it became a subsidiary
1	Hindustan Cargo Ltd	31-Dec-09	Allcargo Global Logistics Ltd	100.00	Rs.10	250,000	20,485.21	78,160.65
2	Contech Transport Services Pvt. Ltd.	31-Dec-09	Allcargo Global Logistics Ltd	100.00	Rs.10	130,000	(131.05)	11,319.45
3	Sealand Terminals Pvt.Ltd.	31-Dec-09	Contech Transport Services	100.00	Rs.10	10,000	123,716.03	123,673.83
4	Ecu Line (India) Private Limited	31-Dec-09	Allcargo Global Logistics Ltd	99.99	Rs.10	9,999	(0.26)	(62.69)
5	AGL Ports Pvt. Ltd.	31-Dec-09	Allcargo Global Logistics Ltd	100.00	Rs.10	10,000	(0.29)	(74.12)
6	South Asia Terminals Pvt.Ltd. (Formerly known as AGL Projects Pvt. Ltd.)	31-Dec-09	Allcargo Global Logistics Ltd	100.00	Rs.10	6,525,000	(19,424.96)	(19,472.21)
7	AGL Terminals Pvt. Ltd.	31-Dec-09	Allcargo Global Logistics Ltd	100.00	Rs.10	10,000	(119.09)	(435.07)
8	AGL Warehousing Pvt. Ltd.	31-Dec-09	Allcargo Global Logistics Ltd	100.00	Rs.10	10,000	(34.20)	(79.79)
9	Allcargo Logistic Park Pvt.Ltd.	31-Mar-09	Allcargo Global Logistics Ltd	51.00	Rs.10	1,181,500	2,762.30	-
10	Ecu International (Asia) Pvt. Ltd.	31-Dec-09	Ecu Hold NV	100.00	Rs.10	52,341	70.93	1,938.72
11	Ecu Line Abu Dhabi LLC	31-Dec-09	Ecu Hold NV	75.50	AED 1500	49	5,951.31	8,730.17
12	Ecu Line Algeria	31-Dec-09	Ecu Hold NV	100.00	DZD 1000	1,000	4,611.84	4,395.05
13	Ecu Logistics SA	31-Dec-09	Ecu Hold NV	100.00	ARS 1	16,000	3,096.81	3,591.94
14	Ecu-Line Australia Pty.Ltd.	31-Dec-09	Ecu Hold NV	60.00	AUD 1	60,000	12,104.39	4,664.12
15	ECU HOLD N.V.	31-Dec-09	Allcargo Belgium NV & RMK NV	100.00	EURO 19.55	160,546	8,998.53	176,625.23
16	Allcargo Belgium N.V.	31-Dec-09	Allcargo Global Logistics Ltd	100.00	EURO 1000	11,500	21,179.46	(7,099.18)
17	EcuBro N.V.	31-Dec-09	Ecu Hold NV	100.00	EURO 743.81	105	(162.51)	(14,907.18)
18	Ecu International N.V.	31-Dec-09	Ecu Hold NV	100.00	EURO 24.80	2,500	(22,272.94)	(76,124.31)
19	Ecu-Tech BVBA	31-Dec-09	Ecu Hold NV	100.00	EURO 24.79	750	(3,554.44)	(5,523.85)
20	Ecu-Line N.V.	31-Dec-09	Ecu Hold NV	100.00	EURO 1278.35	970	2,320.06	60,418.48
21	Ecu-Logistics N.V.	31-Dec-09	Ecu Hold NV	100.00	EURO 24.79	27,750	(7,233.08)	(20,253.85)
22	Ecu-Trans N.V.	31-Dec-09	Ecu Hold NV	100.00	EURO 24.80	5,000	-	-
23	D & E Transport NV	31-Dec-09	Ecu Line NV	100.00	EURO 100	620	-	-
24	AGL N.V (formerly known as RMK N.V)	31-Dec-09	Allcargo Belgium NV	100.00	EURO 1646.72	19,917	(11,312.17)	(56,311.34)
25	Ecu Air NV	31-Dec-09	Ecu Hold NV	100.00	EURO 10	40,000	(2,253.05)	(13,625.11)
26	Ecu Global Services NV (formerly known as IPTS)	31-Dec-09	Ecu Hold NV	100.00	EURO 24.83	97,757	(706.49)	(160,519.75)
27	Ecu Logistics do Brasil Ltda	31-Dec-09	Guldary s.a	100.00	BRL 1	100	1,806.45	(101,418.70)
28	Flamingo Line do Brazil Ltda	31-Dec-09	Guldary s.a	100.00	BRL 1	50,000	(389.11)	(25,492.64)
29	Ecu Line Bulgaria EOOD	31-Dec-09	Ecu Hold NV	100.00	BGN 50	100	(229.69)	(421.28)
30	Ecu-Line Canada Inc.	31-Dec-09	Ecu Hold NV	50.00	CAD 1	100	(2,296.78)	3,089.43
31	ECU Line Chile S.A.	31-Dec-09	Ecu Hold NV	100.00	CLP 100000	300	12,335.70	12,829.98
32	Container Freight Station S.A.	31-Dec-09	Ecu Hold NV	50.00	CLP 10000	10,800	1,234.14	1,184.06
33	Flamingo Line Chile S.A	31-Dec-09	Ecu Hold NV	100.00	CLP 10000	100	(673.50)	(700.49)
34	ECU Line Guangzhou Ltd	31-Dec-09	Ecu Line Hong Kong Ltd	100.00	HKD 1	5,990,000	431.20	2,061.27
35	Ecu Line De Columbia S.A.	31-Dec-09	Ecu Hold NV	100.00	COP 1000	369,102	827.01	816.41
36	Conecli International S.A.	31-Dec-09	Ecu Hold NV	100.00	CRC 200	100	3,970.11	34.35
37	Ecu Line Middleeast LLC	31-Dec-09	Ecu Hold NV	86.00	AED 1000	147	60,211.53	149,065.83
38	Euro Centre - Dubai	31-Dec-09	Ecu Hold NV	86.00	AED 100000	11	9,172.00	40,222.50
39	Asia Lines Ltd.	31-Dec-09	Allcargo Global Logistics Ltd	100.00	EURO 100	10,000	3,362.57	2,235.36
40	ECU Heavy Lift, W.L.L.	31-Dec-09	Asia Lines Ltd.	100.00	AED 67	49,000	(2,388.03)	3,094.84
41	Ecu Line Del Ecuador S.A.	31-Dec-09	Ecu Hold NV	100.00	USD 4	450	(460.72)	(488.02)
42	Flamingo Line Ecuador	31-Dec-09	Ecu Hold NV	100.00	USD 5	800	(21.03)	(317.75)
43	Ecu Line Egypt Ltd	31-Dec-09	Ecu Hold NV & Ecu International Far East Ltd	100.00	EGP 500	200	10,313.20	3,859.79
44	Flamingo Line El Salvador SA de CV	31-Dec-09	Ecu Hold NV	66.67	USD 11.43	800	(127.46)	(138.20)
45	Ecu-Line (Germany) GmbH	31-Dec-09	Ecu Hold NV	100.00	EURO 511.29	26,092	(7,961.28)	(16,271.66)
46	ELWA (GH) Ltd.	31-Dec-09	Ecu Hold NV	100.00	GHC 2727	10,000	(281.77)	628.66

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE YEAR ENDED DECEMBER 31, 2009

No.	Name of the Subsidiary Company	The Financial Year of the Subsidiary Company ended on	Holding Company	Extent of holding (%)	Face value of share	Number of shares held by the holding company and/or its subsidiaries	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is dealt with in account of holding company:	
							For the financial year ended on December 31, 2009	For the previous financial years of the subsidiary since it became a subsidiary
47	ECU Line Guatemala	31-Dec-09	Ecu Hold NV	66.67	GTQ 100	40	(1,027.41)	(979.67)
48	Ecu-Line Hong Kong Ltd.	31-Dec-09	Ecu Hold NV	60.00	HKD 1	900,000	9,535.12	10,847.27
49	Ecu International Far East Ltd	31-Dec-09	Ecu Hold NV	100.00	HKD 1	10,000	3,191.62	11,004.47
50	ECU Line Italia srl	31-Dec-09	Ecu Hold NV	100.00	EURO 5.77	10,400	757.75	49.12
51	Ecu Line Italy TRC SRL	31-Dec-09	Ecu Line Italy SRL	100.00	EURO 1	55,000	(607.57)	(8,864.28)
52	ECU Line Cote d'Ivoire Sarl	31-Dec-09	Ecu Hold NV	100.00	XOF 10000	100	(1,170.52)	(9,064.34)
53	Ecu Line Japan Ltd.	31-Dec-09	Ecu Hold NV	65.00	JPY 50000	390	7,820.83	(38,666.41)
54	ECU Line Jordan	31-Dec-09	Ecu Hold NV	100.00	JOD 1	30,000	637.76	558.90
55	Ecu Line Kenya Ltd	31-Dec-09	Ecu Hold NV	82.00	KES 5000	656	1,690.25	10,723.88
56	Ecu Shipping Logistic (K) Ltd	31-Dec-09	Ecu Line Kenya Ltd	100.00	KES 1000	1,000	89.54	57.11
57	ECU Line Malaysia ECU-Line (JB) SDN BHD	31-Dec-09	Ecu Hold NV	85.00	MYR 1	170,000	4,843.14	15,713.72
58	Ecu-Line Malta Ltd.	31-Dec-09	Ecu Hold NV	100.00	MTL 1	5,000	32.49	328.54
59	aEcu-Line (Indian Ocean Islands) Ltd.	31-Dec-09	Ecu Hold NV	89.93	MUR 1000	607	1,850.99	1,607.08
60	AMI Ventures Ltd	31-Dec-09	Ecu International Far East Ltd	100.00	USD 1	1,000	(17,694.66)	105,898.97
61	ECU Line Mediterranean Ltd	31-Dec-09	Ecu Hold NV	55.00	CYP 1	2,750	4.00	29.32
62	CELM Logistics S.A. De C.V.	31-Dec-09	Ecu Hold NV	100.00	MXP 1	50,000	(4,803.25)	(9,390.68)
63	Ecu Logistics de Mexico SA de CV	31-Dec-09	Ecu International NV	100.00	MXP 1	50,000	1,194.74	5,105.80
64	ECU Line Maroc S.A.	31-Dec-09	Ecu Hold NV	100.00	MAD 100	3,500	12,498.93	12,151.63
65	Ecu Line Rotterdam	31-Dec-09	Ecu Hold NV	100.00	EURO 10	85,400	(15,512.24)	(36,061.95)
66	Ecu Line New Zealand Ltd.	31-Dec-09	Ecu Hold NV	60.00	NZD 1	63,000	1,242.85	2,776.31
67	ECU-Line de Panama S.A.	31-Dec-09	Ecu Hold NV	100.00	USD 1000	25	(4,498.71)	(6,098.82)
68	Ecu-Line Paraguay S.A.	31-Dec-09	Ecu Hold NV	100.00	PYG 10 Million	5	(640.95)	(473.97)
69	ECU-Line Peru S.A.	31-Dec-09	Ecu Hold NV	70.00	PEN 10	3,500	4,039.88	583.29
70	Flamingo Line Peru S.A	31-Dec-09	Ecu Hold NV	70.00	PEN 1	15,400	752.05	738.46
71	Ecu Line Philippines Inc.	31-Dec-09	Ecu Hold NV	100.00	PHP 10000	1,000	1,565.93	2,659.41
72	Ecu-Line Polska Sp. z.o.o. UL	31-Dec-09	Ecu Hold NV	100.00	PLN 500	100	(2,076.23)	(1,166.24)
73	Ecu Line Doha W.L.L.	31-Dec-09	Ecu Hold NV	100.00	QAR 1000	200	3,586.11	7,433.90
74	Ecu-Line Romania SRL	31-Dec-09	Ecu Hold NV	100.00	RON 53	100	359.79	832.51
75	Rotterdam Freight Station BV	31-Dec-09	IPTS	100.00	EURO 10	1,800	(1,375.77)	(2,945.06)
76	Ecu Line Singapore Pte. Ltd.	31-Dec-09	Ecu Hold NV	100.00	SGD 1	250,000	24,135.61	23,662.02
77	Ecu Line SA (Pty.) Ltd.	31-Dec-09	Ecu Hold NV	100.00	ZAR 1	90	14,807.28	11,861.29
78	ECU Line Spain S.L.Barcelona	31-Dec-09	Ecu Hold NV	100.00	EURO 0.61	200,000	2,490.30	2,430.52
79	Mediterranean Cargo Centers S.L (MCC)	31-Dec-09	Ecu Line Spain S.L.	80.00	EURO 10	9,600	(5,525.02)	(25,634.58)
80	Ecu Line (Thailand) Co.Ltd	31-Dec-09	Ecu Hold NV	57.00	THB 100	28,500	3,062.73	12,072.33
81	ECU Line Tunisie sarl	31-Dec-09	Ecu Hold NV	100.00	TND 100	1,000	(6,422.52)	(14,003.45)
82	Ecu Line Turkey	31-Dec-09	Ecu Hold NV	100.00	TRY 125	1,200	2,651.92	34.29
83	Ecu-Line UK Ltd.	31-Dec-09	Ecu Hold NV	100.00	GBP 1	700,100	1,850.83	5,477.79
84	Ecu-Line Uruguay (Deolix SA)	31-Dec-09	Ecu Hold NV	100.00	UYU 100	10,000	1,310.21	1,438.66
85	DLC	31-Dec-09	AMI	100.00	UYU 1	1	1,260.49	48,315.44
86	ELV Multimodal C.A.	31-Dec-09	Ecu Hold NV	100.00	VEB 1000	24,000	7,334.23	39,148.88
87	Venezuela - AHL	31-Dec-09	Ecu Hold NV	100.00	VEB 1000	1,000	2,238.54	5,999.64
88	Consolidadora Ecu Line CA	31-Dec-09	Ecu Hold NV	100.00	VEB 1	400	-	-
89	Ecu Line Vietnam	31-Dec-09	Ecu Hold NV	51.00	USD 1	51,000	5,586.50	3,820.30
90	ECU Line Zimbabwe (Pty.) Ltd.	31-Dec-09	Ecu Hold NV	70.00	ZWD 1	546,000	-	-
91	Ecu Line China Ltd.	31-Dec-09	Ecu Hold NV	51.00	HKD 1	5,100	-	-
92	Eurocentre Milan SRL	31-Dec-09	Ecu Line Italy SRL	100.00	Euro 100	100	6,842.65	6,678.39
93	Ecu Line Switzerland GmbH	31-Dec-09	Ecu Hold NV	51.00	CHF 500	51	31.09	30.80
94	GULDARY s.a.	31-Dec-09	Ecu Hold NV	100.00	UYU 100,000	100,000	(17,277.70)	63,484.94

### 1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company strongly believes in establishing, adopting and following best corporate governance practices and thereby facilitating effective management and carrying out its business by setting up principles, benchmarks and systems to be followed by the Board of Directors, management and all employees in their dealings with customers, stakeholders and society at large.

Your Company's corporate governance philosophy entails not only abiding by regulatory and legal requirements but to also follow and adopt voluntarily, good business ethics and standards of behavior. The principles such as integrity, accountability, transparency, fairness, timely disclosures, credibility etc. serve as effective means for protection of shareholders and enhancing value to them.

The Objective of your Company is not only to achieve excellence in Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance but also to improve on these aspects on an ongoing basis. Your Company is in compliance with the requirements of the corporate governance guidelines stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

### 2. BOARD OF DIRECTORS

#### Composition of Board:

The Composition of the Board of Directors of the Company is governed by the Companies Act, 1956 and is in conformity with the stipulation laid down in the code of Corporate Governance recommended by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges.

Your Company recognizes the need and importance of having a strong and broad based Board and hence has maintained an optimum combination of Executive and Non-Executive Directors with more than fifty percent of Board of Directors being Non- Executive Directors. The Company is managed and guided by a professional Board comprising of eight Directors, out of which five are Non – Executive. Four out of the five Non – Executive Directors are Independent. The Independent Directors of the Company meet all the criteria mandated by Clause 49 of the Listing Agreement. The Board believes that its current composition is appropriate to maintain the independence of the Board and to separate the Board functions of Governance and Management.

The Board consists of eminent persons with considerable professional expertise and experience in finance, legal, commercial, business administration and other related fields, who, not only bring a wide range of experience and expertise, but also impart the desired level of independence to the Board. The Board's role, functions, responsibilities and accountability are clearly defined. The day-to-day management of the Company is entrusted with the senior management personnel of the Company and is headed by the Managing Director who functions under the overall supervision, direction and control of the Board of Directors. The Board reviews and approves the strategy and oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholders' value are achieved.

All the Directors have certified to the Company that they are not Members of more than 10 (ten) committees and do not act as Chairmen of more than 5 (five) committees across all the companies in which they are Directors.

## Report on Corporate Governance





- All Directors other than, Mr. Shashi Kiran Shetty, Mrs. Arathi Shetty and Mr. Adarsh Hegde are Non-Executive Directors on the Board.
- The Company has not entered into any materially significant transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or their relatives etc. other than the transactions entered in the normal course of business and entered in the Register of Contracts maintained under Section 301 of the Companies Act, 1956.
- The Senior Management Personnel have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

**The composition of the Board of Directors during the year was as follows:**

Name of the Director	Nature of Directorship	No. of Directorship in other public companies	No. of Committee positions held in other public companies	
			Chairman	Member
Mr. Shashi Kiran Shetty	Promoter, Executive Director	7	-	-
Mrs. Arathi Shetty	Promoter, Executive Director	8	-	-
Mr. Adarsh Hegde	Promoter, Executive Director	4	-	-
Mr. Kaiwan Kalyaniwalla	Non Executive Independent Director	2	-	-
Mr. Keki Elavia	Non Executive Independent Director	10	3	4
Mr. Satish Gupta	Non Executive Independent Director	-	-	-
Mr. Rajiv Sahney	Non Executive Independent Director	1	-	-
Mr. Akhilesh Gupta	Non Executive Director nominated by Blackstone	4	-	1

Notes:

- The Directorships held by Directors as mentioned above, do not include Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies, which are not subsidiaries of a public Company.
- Only Audit Committees and the Shareholders' Grievance Committees are considered for the purpose of committee positions as per the Listing Agreement.
- No Directors other than Mr. Shashi Kiran Shetty, Mrs. Arathi Shetty and Mr. Adarsh Hegde are related to each other.

**Board Meetings and Attendance of directors thereat:**

The Board of Directors meets at least once in a quarter and the maximum time gap between two meetings is not more than four months. Dates for the Board meetings are decided well in advance and communicated to the Directors. In case of exigencies or urgency of matters, resolutions are passed by circulation. Board meetings are generally held at the Registered Office of the Company.

The agenda of the meetings along with the explanatory notes and relevant papers are sent in advance to the Directors to enable them to take informed decisions. Chief Executive Officers and Heads of Departments of Finance and Strategic Planning are normally invited to the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies. Information as prescribed under Annexure IA to Clause 49 is being made available to the Board from time to time. Additional meetings of the Board are held as and when deemed necessary by the Board.

The Managing Director is responsible for corporate strategy, planning, external contracts and Board matters. The senior management personnel heading respective divisions are responsible for day-to-day operations.

During the year ended December 31, 2009 the Board met 6 times on January 29, 2009, April 30, 2009, July 30, 2009, September 29, 2009, October 29, 2009 and November 09, 2009.

Attendance of the Board Members at these Board Meetings and last Annual General Meeting are detailed as under:

Name of the Director	No. of Board Meetings Attended	Attendance at the last Annual General Meeting held on June 12, 2009
Mr. Shashi Kiran Shetty	6	Yes
Mrs. Arathi Shetty	5	No
Mr. Adarsh Hegde	6	Yes
Mr. Kaiwan Kalyaniwalla	5	Yes
Mr. Keki Elavia	6	Yes
Mr. Satish Gupta	2	Yes
Mr. Rajiv Sahney	3	No
Mr. Akhilesh Gupta	2	No

**Profile of Directors seeking appointment / re-appointment**

The Board of Directors of the Company at their meeting held on April 20, 2005 appointed Mr. Shashi Kiran Shetty as Managing Director for a period of five years with effect from April 01, 2005. According to his terms of appointment, the term of office of Mr. Shashi Kiran Shetty as Managing Director, was expired on March 31, 2010 and the Board of Directors of the Company at its meeting held on April 07, 2010 has re-appointed Mr. Shashi Kiran Shetty as Chairman & Managing Director for further period of five years with effect from April 01, 2010. Mr. Shashi Kiran Shetty's appointment as Chairman & Managing Director shall be subject to further approval of the Members and shall be on the terms and conditions and remuneration as proposed in the notice of the 17th Annual General Meeting.

Further in accordance with the provisions of the Companies Act, 1956 and that of Articles of Association of the Company, Mr. Keki Elavia and Mr. Satish Gupta are retiring by rotation and being eligible, offered themselves for re-appointment.

Brief profile of the directors seeking appointment / re-appointment are as under:

**Mr. Shashi Kiran Shetty**

Mr. Shashi Kiran Shetty, the promoter of the Company, aged 51 years, holds a Bachelor of Commerce degree. He started his career in the logistics industry in 1978 with Intermodal Transport and Trading Systems Private Limited, Mumbai. Subsequently, he moved to Forbes Gokak, a TATA Group Company where he gained experience in port operations. In 1982 he set up M/s. Transindia Freight Services, a partnership firm into transportation business

catering to liner shipping services. Subsequently, he formed a company namely, Transindia Freight Services Private Limited in the year 1995 which initially catered to the Liner Shipping Industry and went on to provide container and project related transportation services to various exporters and importers. His experience was in the area of providing complete door-to-door solutions.

Having gained expertise, he commenced freight forwarding and consolidation activities, catering to exporters by working closely with various agents worldwide, for ensuring, handling and delivery of cargo at its destination in an efficient manner. He was instrumental in our Company being appointed as general agent in India for ASIA Lines Ltd., a Mauritius based NVOCC.

Mr. Shashi Kiran Shetty joined hands with ECU Line N.V. in 1995 and set up offices and franchisees across the country, thereby expanding the MTO business. With the Government having opened up the CFS activities to the private sector, Mr. Shashi Kiran Shetty's foresight led the Company to set up CFS activity in 2003.

He has served as Ex-trustee of Mumbai Port Trust and is presently the Vice Chairman of the Association of Multimodal Transport Operators of India (AMTOI). Mr. Shashi Kiran Shetty has been appointed as the Managing Director since the inception of the Company. This year Mr. Shashi Kiran Shetty has been awarded as "The Entrepreneur of the Year" by Ernst & Young.

Due to his visionary and entrepreneurial skill, the Company was also awarded as "Company of the Year in the Logistics Category" at the prestigious "NDTV Profit Business Leadership Awards-2009."

Mr. Shashi Kiran Shetty holds 81,623,390 equity shares constituting 65.38% of the total paid up capital of the Company.

Besides being a Director of the Company, Mr. Shashi Kiran Shetty is also director of the following companies:

Sr. No.	Name of the Companies
1.	AGL Ports Private Limited
2.	AGL Terminals Private Limited
3.	AGL Warehousing Private Limited
4.	Allcargo Movers (Bombay) Pvt Ltd
5.	Allcargo Shipping Services Pvt Ltd
6.	Allnet Infotech Private Limited
7.	Alltrans Logistics Private Limited
8.	Alltrans Port Management Pvt Ltd
9.	Avadh Marketing Private Limited
10.	Avash Builders And Infrastructure Private Limited
11.	Avash Builders Pvt Ltd
12.	Avash Logistic Park Private Limited
13.	Contech Estate Pvt Ltd
14.	Ecu International Asia Pvt Ltd
15.	Ecu Line (India) Private Limited
16.	Energy Health Spas Pvt Ltd
17.	Gujarat Integrated Maritime Complex Private Ltd.
18.	India Tourist And Heritage village private Limited
19.	Jupiter Machines Private Limited
20.	N.R.Holdings Private Limited
21.	Prominent Estate Holdings Pvt Ltd
22.	Sealand Cranes Private Limited
23.	Sealand Ports Private Limited
24.	Sealand Terminals Private Limited
25.	SKS Netgate Pvt Ltd
26.	SKS Realty Pvt Ltd
27.	SKS Ventures Private Limited
28.	Talentos (India) Private Limited
29.	Talentos Entertainment Private Limited
30.	Transindia Freight Pvt Ltd
31.	Transindia Freight Services Pvt Ltd
32.	Hinudstan Cargo Ltd
33.	Administradora House Line C.A.
34.	AGL NV
35.	Allcargo Belgium NV
36.	Consolidadora Ecu-Line C.A.

37.	Ecu International Far East Ltd.
38.	Ecu International NV
39.	Ecu Logistics do Brasil Ltda.
40.	Ecu-Air NV
41.	Ecuhold NV
42.	Ecu-Line (Indian Ocean Islands) Ltd.
43.	Ecu-Line (Johor Bahru) Snd. Bhd.
44.	Ecu-Line Australia Pty Ltd.
45.	Ecu-Line Canada Inc.
46.	Ecu-Line Chile S.A.
47.	Ecu-Line Germany GmbH
48.	Ecu-Line Guangzhou Ltd
49.	Ecu-Line Hong Kong Ltd.
50.	Ecu-Line Italia SRL
51.	Ecu-Line Maroc S.A.
52.	Ecu-Line N.V.
53.	Ecu-Line NZ Ltd.
54.	Ecu-Line Philippines Inc.
55.	Ecu-Line Singapore Pte. Ltd.
56.	Ecu-Line South Africa (Pty.) Ltd.
57.	Ecu-Line UK Ltd., Southampton
58.	Ecu-Line Vietnam Joint-Venture Company Ltd.
59.	Ecu-Logistics NV
60.	ELV Multimodal C.A.
61.	Eurocentre Milan SRL
62.	Flamingo Line Chile S.A.
63.	Flamingo Line do Brasil Ltda
64.	Transnepal Freight Services Pvt Ltd
65.	TRC SRL

#### Mr. Keki Elavia

Mr. Keki Elavia, aged 63 years, is a Chartered Accountant by profession having more than 36 years of rich experience with M/s. Kalyaniwalla & Mistry, a Chartered Accountancy firm. He joined the firm as an employee in 1971 and became a partner in 1974. He retired from the firm from April 1, 2009. Mr. Elavia has expertise in accounting, audit, finance and taxation matters.

Mr. Elavia holds 5,000 equity shares constituting 0.004% of the total paid up capital of the Company.

Besides being a Director of the Company, Mr. Keki Elavia is also director of the following companies:

Sr. No.	Name of the Companies
1.	Insilco Limited
2.	Goa Carbon Limited
3.	Grover Vineyards Limited (Alternate Director)
4.	NRB Bearings Limited
5.	Sulzer India Limited
6.	Uni Abex Alloy Products Limited
7.	Uni Deritend Limited
8.	Uni Klinger Limited
9.	Great Offshore Limited
10.	Peerless Trust Management Company Limited
11.	Parazelsus India Private Limited
12.	Uni VTL Engineering Private Limited

#### Mr. Satish Gupta

Mr. Satish Gupta, aged 51 years, is a Science Graduate and is a partner in M/s. Agra Engineering Company. He joined the business when Agra Engineering was a player in the domestic market. With the joint efforts of the partners, Mr. Gupta was instrumental in taking the business from the domestic market to international market by making it a hundred percent export oriented firm. His firm is currently one of the leading exporters of Engine parts. Mr. Gupta has overall 32 years of rich experience in Engineering.

Mr. Gupta holds 40,235 equity shares constituting 0.032% of the total paid up capital of the Company.

Besides being Director of the Company, Mr. Gupta is also on the boards of Auditra Engineering Company Pvt. Ltd. and Balavra Leasing and Finance Pvt. Ltd.

### 3. COMMITTEES OF BOARD

The Board has constituted committees comprising of executive, non-executive and independent directors to focus on critical functions of the Company and also for smooth and efficient business operations. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of these committees in line with the laws of the land. The Committees meet at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation. The draft minutes of the proceedings of each committee meeting are circulated to the members of that Committee for their comments and thereafter, confirmed and signed by the Chairman of the respective Committee. The Board also takes note of the minutes of the meetings of the committees

duly approved by their respective Chairman and the material recommendations / decisions of the Committees are placed before the Board for approval / information.

Currently, the Board has five committee, viz.,

1. Audit Committee.
2. Compensation / Remuneration Committee
3. Share Transfer / Investors' Grievance Committee
4. Executive Committee
5. Share Allotment Committee

#### AUDIT COMMITTEE:

The Audit Committee comprises of non-executive and independent directors who are well versed with finance, accounts, corporate laws and general business practices. Mr. Keki Elavia, Chairman of the committee is an independent director and is a Chartered Accountant and has related financial management expertise. The composition, procedures, role, power and the terms of reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Terms of Reference:

- a) Overseeing the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information;
- b) Recommending appointment and removal of statutory auditors and fixing of their fees;
- c) Reviewing with management the annual financial statements before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements;
- d) Reviewing the adequacy of the Internal Audit including their policies, procedures, techniques and other regulatory requirements;
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) 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.
- g) Any other terms of reference as may be included from time to time in Clause 49 of the Listing Agreement.

#### Meetings of the Committee:

During the year under review, the Audit Committee met 4 times on January 29, 2009, April 30, 2009, July 30, 2009 and October



Composition of the Committee & attendance of each member at the meetings of the Committee held during the year:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Keki Elavia - Chairman	Non-Executive Independent Director	4	4
Mr. Kaiwan Kalyaniwalla	Non-Executive Independent Director	4	3
Mr. Satish Gupta	Non-Executive Independent Director	4	1
Mr. Akhilesh Gupta	Non-Executive Director	4	2

Chief Executive Officers, Chief Financial Officer and representatives of the statutory and internal auditors are generally invited to attend the meetings of the Audit Committee. The Company Secretary acts as secretary to the Committee. The Chairman of the Audit Committee remained present at the last Annual General Meeting.

#### COMPENSATION / REMUNERATION COMMITTEE:

##### Terms of Reference:

The Compensation/Remuneration Committee comprises of non-executive independent directors. The Committee determines, reviews and recommends remuneration payable to whole-time directors in addition to reviewing overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, consider granting of stock options to employees and directors, reviewing compensation levels of the Company's employees vis-a-vis other companies and industry in general. The Committee is also entrusted with the responsibility of administering and monitoring ESOP Schemes of the Company. The Company Secretary acts as Secretary to the Committee.

##### Remuneration Policy:

The Managing Director and other whole time directors are paid remuneration by way of salary, commission, perquisites and allowances within the range approved by the shareholders of the Company from time to time. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing Industry practice.

Non-Executive Directors are paid remuneration by way of sitting fees @ Rs. 20,000 for attending meeting of the Board of Directors and Rs. 5,000 for attending meeting of the Audit Committee, Compensation / Remuneration Committee, Share Transfer / Investors' Grievance Committee and Share Allotment Committee. Non-Executive Directors are also paid remuneration by way of commission out of profits of the Company in terms of the shareholders approval granted u/s 309(4)(b) of the Companies Act, 1956, at the 13th Annual General Meeting held on September 29, 2006.

Details of remuneration paid to directors during the year under review are as under:

(Amount in Rs.)

Name of the Director	Category	Salary, Allowances and Perquisites	Sitting Fees	Commission
Mr. Shashi Kiran Shetty	Executive Director	8,843,068	Nil	20,000,000
Mrs. Arathi Shetty	Executive Director	2,194,980	Nil	15,000,000
Mr. Adarsh Hegde	Executive Director	5,475,788	Nil	17,500,000
Mr. Kaiwan Kalyaniwalla	Non Executive Independent Director	Nil	155,000	2,000,000
Mr. Keki Elavia	Non Executive Independent Director	Nil	170,000	1,000,000
Mr. Satish Gupta	Non Executive Independent Director	Nil	70,000	Nil
Mr. Rajiv Sahney	Non Executive Independent Director	Nil	60,000	Nil
Mr. Akhilesh Gupta	Non Executive Director	Nil	50,000	Nil

##### Meetings of the Committee:

During the year under review, the Committee met 4 times on January 29, 2009, February 17, 2009, April 30, 2009 and December 4, 2009.

Composition of the Committee & attendance of each member at the meetings of the Committee held during the year:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Kaiwan Kalyaniwalla, Chairman	Non-Executive & Independent Director	4	3
Mr. Keki Elavia	Non-Executive & Independent Director	4	4
Mr. Satish Gupta	Non-Executive & Independent Director	4	2

#### SHARE TRANSFER / INVESTORS' GRIEVANCE COMMITTEE:

##### Terms of Reference:

The Share Transfer/Investors' Grievance Committee comprises of non-executive independent directors and executive director. The main Objective of the Committee is to strengthen Investor Relations. The Committee specifically looks into the redressal of shareholders and investors complaints like transfer / transmission of shares, non-receipt of balance sheet, declared dividends etc. The Committee, *inter alia*, approves transfer / transmission of shares, issue of share certificates, demat / remat of shares and oversees and reviews all matters connected with transfer of securities of the Company. The Committee oversees performance of the Registrars and Transfer Agents of the Company and looks into matters which can facilitate better investor services and relations.

##### Meetings of the Committee:

During the year under review, the Committee met 5 times on January 29, 2009, April 30, 2009, July 30, 2009, October 29, 2009 and December 4, 2009.

Composition of the Committee & attendance of each member at the meeting of the Committee held during the year:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Kaiwan Kalyaniwalla, Chairman	Non-Executive & Independent Director	5	4
Mr. Satish Gupta	Non-Executive & Independent Director	5	1
Mr. Shashi Kiran Shetty	Executive Director	5	5

##### Compliance Officer:

The Board has appointed Mr. Shailesh Dholakia, Company Secretary of the company, as the Compliance Officer for complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 and under the Listing Agreement with Stock Exchanges. The Company Secretary also acts as a secretary to the Committee.

During the year under review, the Company had received 07 complaints from shareholders and the same have been redressed to their satisfaction. No request for transfer and for dematerialisation was pending for approval as on December 31, 2009.

#### EXECUTIVE COMMITTEE:

##### Terms of Reference:

With the objective to expedite various administrative and operational decisions of routine nature and to facilitate day-to-day business operations of the Company, which need immediate intervention and approval to ensure smooth functioning of the Company, the Board had constituted an Executive Committee comprising of executive directors of the Company. The Executive Committee meets at least once every month to decide various issues of routine nature like opening / closing of Bank Accounts, change in Banking authorization, authorization for legal, statutory compliances matters, acquiring premises for business purpose etc.

**Meetings of the Committee:**

During the year under review, the Committee met 12 times on January 6, 2009, February 5, 2009, March 13, 2009, May 11, 2009, June 16, 2009, July 21, 2009, August 12, 2009, September 17, 2009, September 29, 2009, October 26, 2009, November 24, 2009 and December 14, 2009.

Composition of the Committee & attendance of each member at the meetings of the committee held during the year:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Shashi Kiran Shetty, Chairman	Executive Director	12	12
Mrs. Arathi Shetty	Executive Director	12	12
Mr. Adarsh Hegde	Executive Director	12	12

**SHARE ALLOTMENT COMMITTEE:**

**Terms of Reference:**

The Share Allotment Committee was constituted as an ad-hoc committee, comprising of non-executive independent directors of the Company. The terms of reference of Share Allotment Committee are to issue and allot equity shares under the Initial Public Offer of shares (IPO) of the Company and under ESOP Schemes of the Company, either in dematerialized form or physical form, under the Common Seal of the Company and to seek listing of the equity shares on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

During the year under review, the Committee met 2 times on February 17, 2009 & April 30, 2009

Composition of the committee & attendance of each member at the meetings of the committee held during the year:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Keki Elavia, Chairman	Non-Executive & Independent Director	2	2
Mr. Kaiwan Kalyaniwalla	Non-Executive & Independent Director	2	1
Mr. Satish Gupta	Non-Executive & Independent Director	2	2

**4. GENERAL BODY MEETINGS**

Meeting	Date and Time	Venue	Special Resolutions Passed
16th AGM	June 12, 2009 at 10.00 am	Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (East), Mumbai - 400 098	Appointment of Mr. Umesh Shetty at a place of profit u/s 314(1B) of the Companies Act, 1956.
15th AGM	August 12, 2008 at 11.00 am	Exchange Plaza, National Stock Exchange Auditorium, Ground Floor, Bandra – Kurla Complex, Bandra(East), Mumbai – 400 051	Change in nominal value of FCCD from Rs.10 per FCCD to Rs.934 per FCCD issued to Blackstone Group Entities and consequential amendments in the Articles of Association of the Company.
14th AGM	June 29, 2007 at 11.30 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai-400 020	1. Alteration of Articles of Association consequent upon increase in Authorised Capital of the Company. 2. To receive sitting fees, commission and other benefits by Managing Director / Whole-time Directors from subsidiary companies u/s 314 of the Companies Act, 1956.

Meeting	Date and Time	Venue	Special Resolutions Passed
			3. Mandatory disclosures under SEBI (ESOS and ESPS) Guidelines, 1999, which were inadvertently omitted while confirming the 'Allcargo Employee Stock Option Plan 2006' at the 13th AGM. 4. Mandatory disclosures under SEBI (ESOS and ESPS) Guidelines, 1999, which were inadvertently omitted while approving extension of benefits of 'Allcargo Employee Stock Option Plan 2006' to the employees/directors of the subsidiary companies, at the 13th AGM.

**RESOLUTION PASSED THROUGH POSTAL BALLOT:**

During the year under review, consent of Members of the Company was sought through postal ballot voting on November 09, 2009, for the following matters:

Particulars of Postal Ballot	No. of Valid Postal Ballot	Votes in Favour of the Resolution	Votes Against the Resolution	Vote not casted
<b>Ordinary Resolution:</b> Sub-division of Face Value of Equity Shares of the Company from Rs. 10 per Equity Share to Rs.2 per Equity Share under Section 94(1)(d) and any other applicable provisions of the Companies Act, 1956	163	No. of Votes: 19,257,256 (99.9989%) No. of Postal Ballot: 156	No. of Votes: 205 (0.0011%) No. of Postal Ballot: 7	NIL
<b>Ordinary Resolution:</b> Amendment of existing Clause V of the Memorandum of Association of the Company, under Section 16, 94 and any other applicable provisions of the Companies Act, 1956, by replacing with new Clause V, pertaining to share capital.	163	No. of Votes: 19,254,143 (99.9986%) No. of Postal Ballot: 153	No. of Votes: 92 (0.0005%) No. of Postal Ballot: 5	No. of Votes: 187 (0.0010%) No. of Postal Ballot: 5
<b>Special Resolution:</b> Amendment of the Existing Article 4 of Articles of Association of the Company, under Section 31 and any other applicable provisions of the Companies Act 1956, by replacing with new Article 4, pertaining to the share capital.	163	No. of Votes: 19,254,143 (99.9986%) No. of Postal Ballot: 153	No. of Votes: 92 (0.0005%) No. of Postal Ballot: 5	No. of Votes: 187 (0.0010%) No. of Postal Ballot: 5

**Scrutinizer:**

M/s Mehta & Mehta, Company Secretaries, Mumbai were appointed by the Board of Directors as Scrutinizer to conduct the Postal ballot exercise. M/s. Mehta & Mehta conducted the process and submitted their report to the Chairman and Managing Director of the Company.

**Procedure:**

The postal ballot process was undertaken in accordance with the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

No special resolution is proposed to be passed through postal ballot.



**EXTRA-ORDINARY GENERAL MEETING:**

During the year under review three Extraordinary General Meetings were held, details are as follows:

1. Extraordinary General Meeting of the Members of the Company was convened & held on Thursday, October 15, 2009 at 11.00 a.m. at the Registered Office of the Company to seek Members approval to the amendments in the Articles of Association of the Company.
2. Extraordinary General Meeting of the Members of the Company was convened & held (at shorter notice) on Monday, November 30, 2009 at 1.30 p.m. at the Registered Office of the Company to seek Members approval to the amendments in the Articles of Association of the Company.
3. Extraordinary General Meeting of the Members of the Company was convened & held on Monday, November 30, 2009 at 2.00 p.m. at the Registered Office of the Company to seek Members approval on following businesses:
  - (a) Issue of further securities u/s 81(IA) of the Companies Act, 1956 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (b) Increase in authorised share capital of the Company from Rs.30 Crore to Rs.35 Crore;
  - (c) Increasing the borrowing power of the Board of Directors under section 293(1)(d) of the Companies Act, 1956 upto Rs.1,000 Crore; and
  - (d) Increasing the limit of investment by Foreign Institutional Investors upto 49% of the paid up capital of the Company.

**5. DISCLOSURES:**

**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

During the year under review, there were no transactions of material nature with the Promoters, Directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company. Details of related party transactions are disclosed in the notes to the accounts as per Accounting Standard 18.

**(b) Details of non-compliance, if any, with regard to capital market**

Equity shares of the Company are listed and traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited w.e.f. June 23, 2006. The Company has complied with all the provisions of the Listing Agreement as well as the Regulations and Guidelines prescribed by the Securities and Exchange Board of India from time to time. The Company has paid listing fees to Stock Exchanges and Annual Custodial Fees to the Depositories up to date.

There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during last three years.

**(c) Disclosure of Accounting Treatment**

There is no deviation in following the treatment prescribed in any Accounting Standard in preparation of financial statements for the year ended on December 31, 2009.

**(d) Board Disclosures – Risk Management**

The Board members of the Company have been apprised about the risk assessment and minimization procedures intended to be adopted. The Audit Committee of the Board is also informed about the business risks and the steps taken to mitigate the same. The implementation of the risk assessment and minimization procedures is under progress and the Board members are periodically informed of the status.

**(e) Certification from CEO and CFO**

The requisite certification from the Managing Director (CEO) and Chief Financial Officer required to be given under Clause 49(v) has been placed before the Board of Directors of the Company, on annual basis.

**(h) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement.**

The Company has complied with all the mandatory requirements as prescribed under Clause 49 of the Listing Agreement. A certificate from M/s. Mehta & Mehta, Company Secretaries, to this effect has been included in this report. Besides mandatory requirements, the Company has constituted a remuneration committee to consider and recommend the remuneration of the directors and for administration and monitoring of Employee Stock Option Plan.

**6. MEANS OF COMMUNICATION**

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc. to all Stock Exchanges where the shares of the Company are listed. Such information is also simultaneously displayed on the Company's website [www.allcargoglobal.com](http://www.allcargoglobal.com). The financial results, quarterly and annual results and other statutory information were communicated to the shareholders by way of advertisement in English daily 'Business Standard' and in a vernacular language newspaper 'Sakal' as per the listing requirements of the Stock Exchanges.

Official news releases and presentation made to institutional investors or to the analysts are displayed on Company's website

**7. CODE FOR PREVENTION OF INSIDER TRADING**

The Company has adopted a share dealing code for the prevention of insider trading in the shares of the Company. The share dealing code, *inter alia*, prohibits purchase / sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

**8. CODE OF CONDUCT**

The Company has laid down and adopted a Code of Conduct for its Directors and Senior Management Personnel, which is also available on the Company's website: [www.allcargoglobal.com](http://www.allcargoglobal.com). The Company has received confirmation from all Directors as well as Senior Management Personnel regarding compliance of Code of Conduct during the year under review. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

**9. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report forms part of this Annual Report.

**10. GENERAL SHAREHOLDER INFORMATION**

(a)	<b>Annual General Meeting</b>	
	Day, Date & Time	Thursday, May 20, 2010 at 10:30 am
	Venue	Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (E), Mumbai – 400 098
(b)	<b>Tentative Financial Calendar for 2010</b>	
	Financial Year	January 1, 2010 to December 31, 2010

	Board Meetings for approval of quarterly results	
	1st Quarter ending on March 31, 2010	April 29, 2010
	2nd Quarter ending on June 30, 2010	July 29, 2010
	3rd Quarter ending on September 30, 2010	October 28, 2010
	4th Quarter ending on December 31, 2010	January 27, 2011
	Audited Results for the financial year ending on December 31, 2010	Within 120 days of the closure of the financial year
(c)	<b>Book Closure Period</b>	Friday, May 14, 2010 to Thursday, May 20, 2010 (Both days inclusive)
(d)	<b>Dividend payment date</b>	Within 15 days from the declaration at AGM
(e)	<b>Listing on Stock Exchanges</b>	The equity shares of the Company are listed and traded on the Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd.
(f)	<b>Stock Code</b>	BSE - 532749 NSE - ALLCARGO ISIN - INE418H01029

(g) Market Price Data

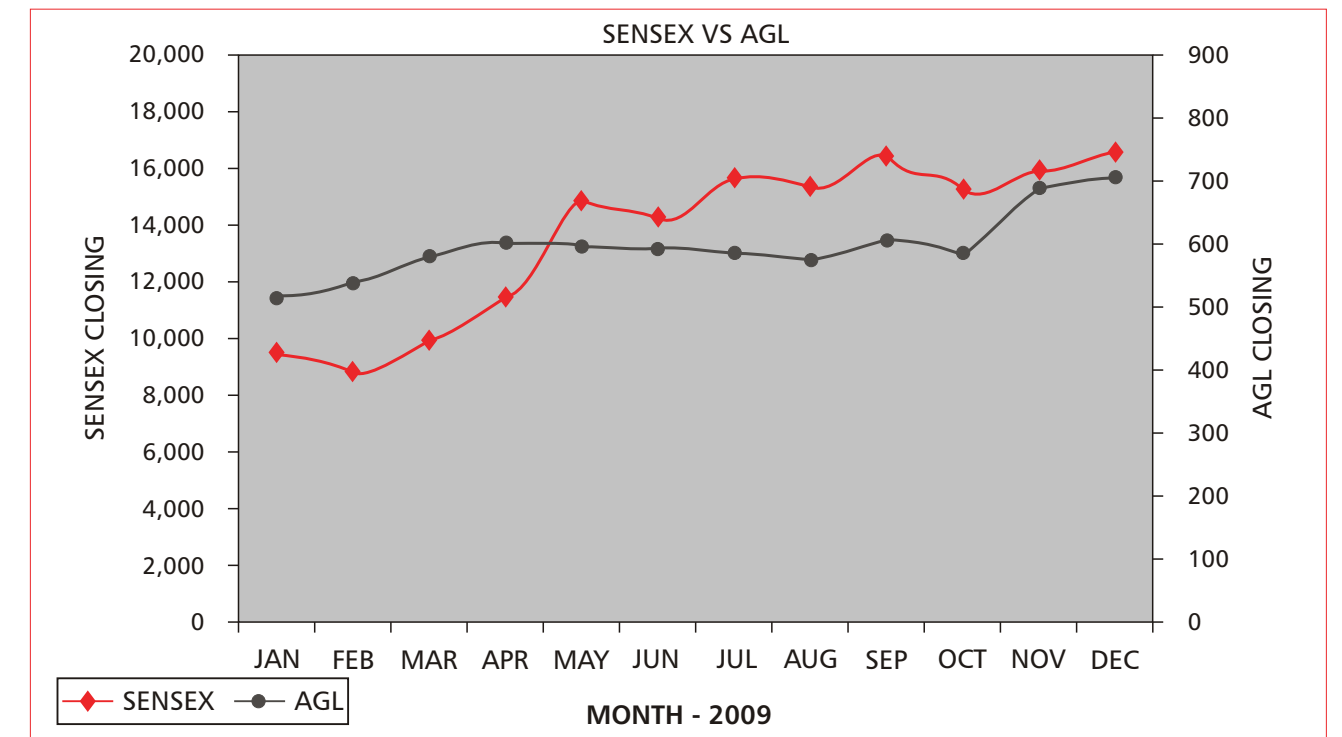
Details of high and low price and number of shares traded during each month in the last financial year on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited are as under :

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
January, 09	695.00	600.00	167,117	690.00	590.10	150,194
February, 09	720.00	635.80	179,239	715.00	640.05	67,377
March, 09	815.00	675.00	117,731	810.00	651.25	96,362
April, 09	824.00	750.00	124,604	819.95	728.00	63,631
May, 09	905.00	724.00	171,627	907.00	740.00	213,697
June, 09	920.00	736.20	357,546	888.00	731.55	511,183
July, 09	851.00	750.00	209,549	930.00	750.45	246,444
August, 09	840.00	756.10	221,852	823.90	766.05	246,349
September, 09	927.10	788.00	261,136	980.00	785.15	296,497
October, 09	869.00	792.00	68,418	974.95	790.50	65,178
*Nov 01, 09 to Nov 18, 09	924.90	812.20	79,862	927.00	806.05	98,497
*Nov 19, 09 to Nov 30, 09	198.95	173.05	406,015	200.00	173.95	483,489
December, 09	218.00	190.00	1,155,305	218.00	186.25	1,843,289

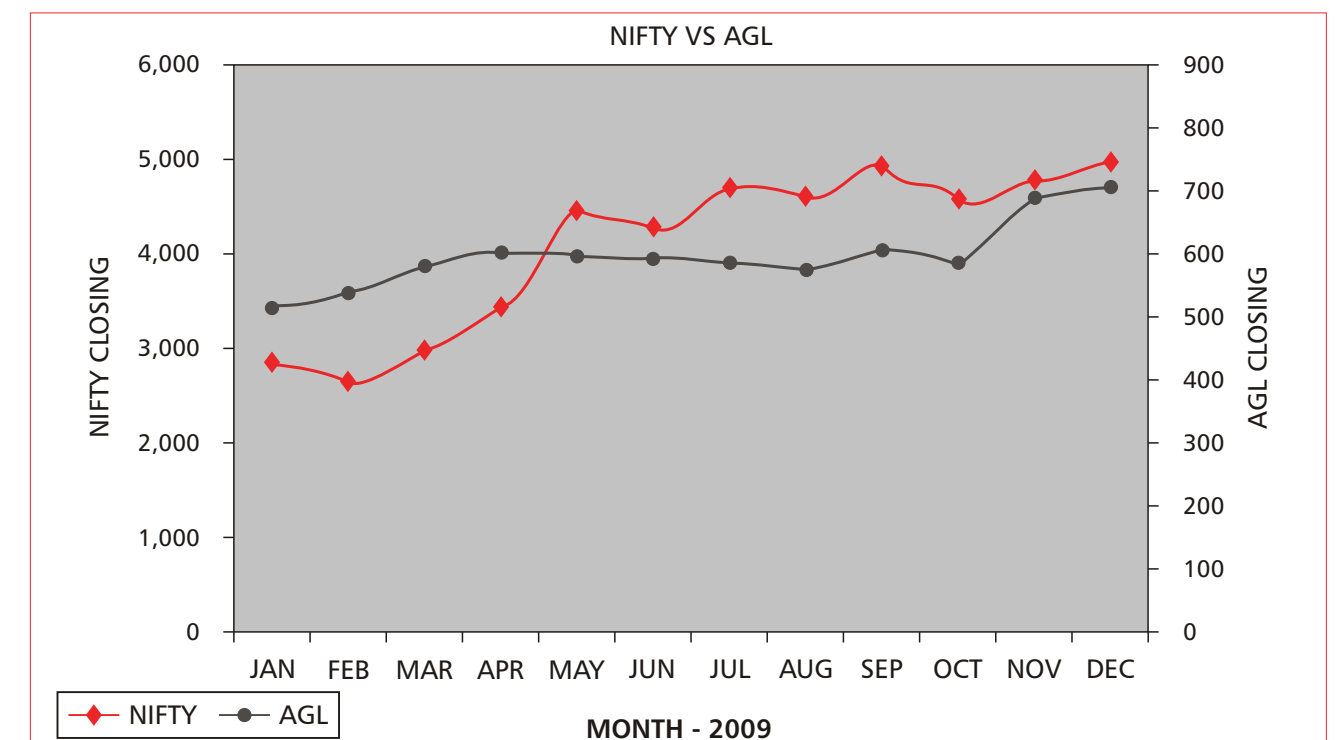
\*During the year under review, face value of equity shares of the Company has been subdivided from Rs. 10 per equity share to Rs. 2 per equity share with effect from November 20, 2009, being record date fixed for subdivision of equity shares.

(h) Performance of share price of the Company in comparison to the BSE Sensex & NSE Nifty:

The closing share price for the period from November 19, 2009 to December 31, 2009 has been adjusted to face value Rs. 10 in the below graphs.



Source: www.bseindia.com



Source: www.nseindia.com



(i) Share Transfer System

The Company's equity shares which are in compulsory dematerialized (demat) form are transferable through the depository system. Equity Shares in physical form are processed by the Registrar and Share Transfer Agents, Link Intime India Private Limited and approved by the Share Transfer/Investors' Grievance Committee of the Board of the Company. The share transfers are normally processed within 15 days from the date of receipt of the documents, if they are complete in all respects.

(j) Dematerialization of Shares and Liquidity

Equity shares of the Company are compulsorily traded in dematerialized form and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) from June 23, 2006 onwards. The International Security Identification Number (ISIN) allotted to the Company, post sub-division of shares, under Depository System is INE418H01029. As on December 31, 2009, 120,902,495 equity shares of Rs. 2 each, representing 96.87% of the Company's total paid up capital, have been held in dematerialized form.

(k) Investor Help Desk & Registrar and Share Transfer Agent

For lodgment of transfer deeds and any other documents or for any grievances/complaints, shareholders/ investors may contact at the following address:

Link Intime India Private Limited  
 (Formerly known as Intime Spectrum Registry Limited)  
 Registrars and Transfer Agents  
 Unit: Allcargo Global Logistics Limited  
 C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.  
 Tel: 022 - 2596 3838, Fax: 022 - 2594 6969. Email: isrl@linkintime.co.in

Contact Person:  
**Mr. Rajesh Mishra**

For all investor related issues, the following person can be contacted at the REGISTERED OFFICE of the Company:

**Mr. Shailesh Dholakia**  
 Company Secretary & Compliance Officer  
 Allcargo Global Logistics Limited  
 Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (East), Mumbai - 400 098.  
 Tel: 022 - 6679 8100, Fax : 022 - 6679 8195.  
 Email: investor.relations@allcargoglobal.com

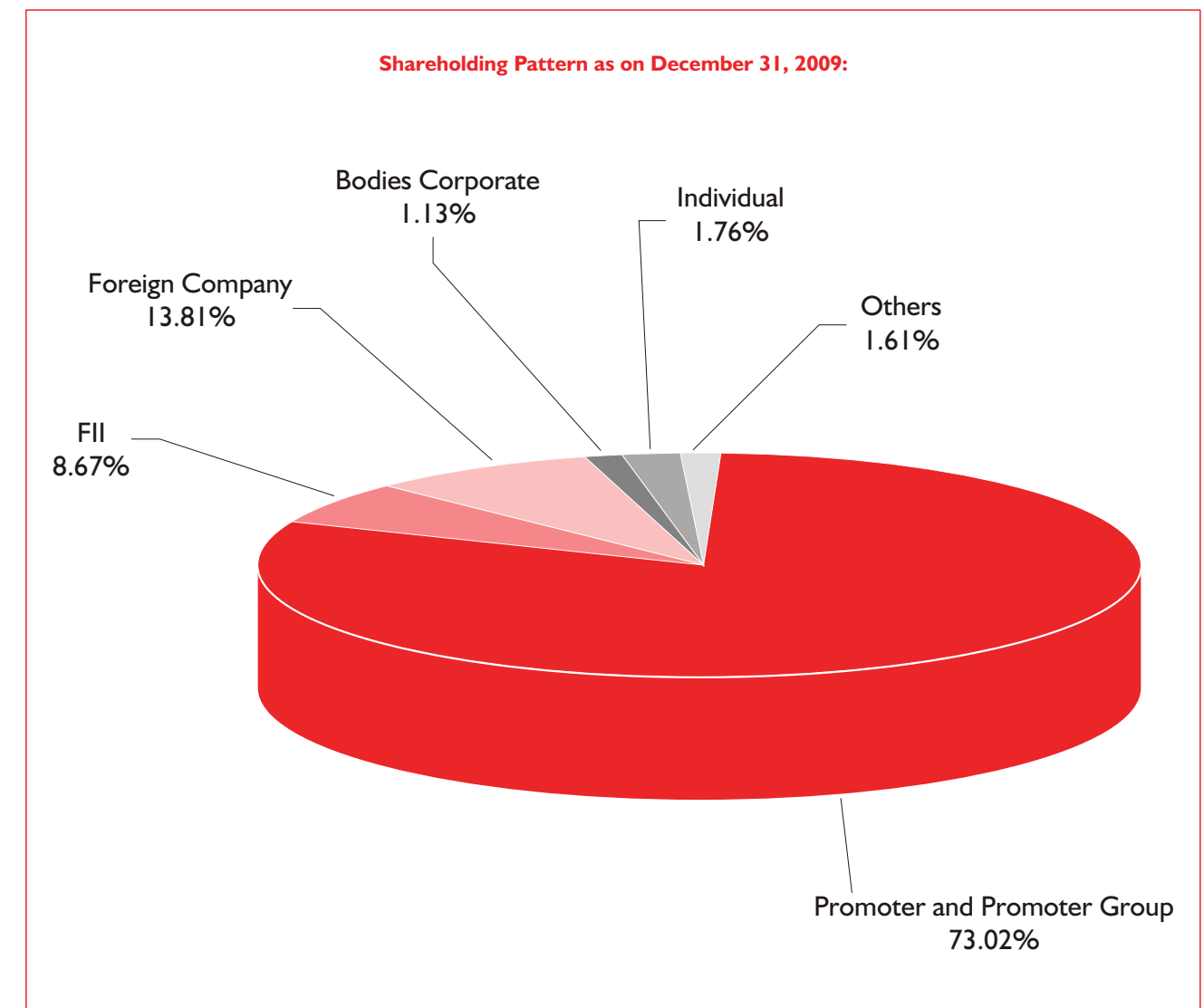
(l) Distribution of Shareholding

Distribution of Shareholding as on December 31, 2009:

Shareholding (no. of shares) (From - To)	No. of Shareholders	% to total no. of Shareholders	No. of shares	% to no. of shares
1 - 500	3,628	87.74	421,919	0.34
501 - 1000	238	5.76	175,772	0.14
1001 - 2000	79	1.91	115,752	0.09
2001 - 3000	44	1.06	109,500	0.09
3001 - 4000	10	0.24	34,487	0.03
4001 - 5000	30	0.73	142,509	0.11
5001 - 10000	34	0.82	244,032	0.20
10001 - and above	72	1.74	123,567,294	99.00
<b>TOTAL</b>	<b>4,135</b>	<b>100.00</b>	<b>124,811,265</b>	<b>100.00</b>

Shareholding Pattern as on December 31, 2009:

Category of Shareholders	Number of Shares	% of Shareholding
Promoter and Promoter Group	91,134,025	73.02
Foreign Company	17,235,400	13.81
Foreign Institutional Investors	10,823,543	8.67
Public	2,198,204	1.76
Bodies Corporate	1,403,984	1.13
Mutual Fund	983,963	0.79
Financial Institutions	489,286	0.39
Clearing Member	204,457	0.16
Trust	175,170	0.14
Independent Directors and their relatives	95,410	0.08
Non Resident Indians	67,823	0.05
<b>Total</b>	<b>124,811,265</b>	<b>100.00</b>



(m) Office Locations

Branches at:

Wakefield House, 1st Floor,  
Spratt Road, Ballard Estate,  
Mumbai – 400 038  
Maharashtra, India

Dronagiri Railway Terminal  
(D.R.T.) (CWC)  
Opp. Punjab Conware Sector II,  
Dronagiri node, Shed no. 4  
Paghote Village, Uran - 400 705  
Maharashtra, India

704, Sakar – V, B/h Natraj  
Cinema, Off.Ashram Road,  
Ahmedabad 380 009  
Gujarat, India

402, 3rd Floor, Oxford  
chambers, Rustom Baugh,  
Main Road, Kodihalli,  
Bangalore – 560 017,  
Karnataka, India

Leelavathi Building, 2nd Floor,  
69, Armenian Street, Parrys,  
Chennai - 600 001,  
Tamil Nadu, India

1st Floor, Rani Meyyammai  
Building, K P K Menon Road,  
Willington Island,  
Cochin - 682 003,  
Kerala, India

5A & 5B, 5th Floor, Circular  
Mansion, 222 A.J.C. Bose Road,  
Kolkata - 700 017.  
West Bengal, India

2nd Floor, 217, Parasnath Plaza  
I, Plot No. 2, Neelgiri  
Commerical Centre,  
Mansarover Scheme, Delhi  
Road, Moradabad – 244 001,  
Uttar Pradesh, India

Local Shopping Complex Plot  
No 8,Vardhaman Plaza,  
Site No 37 -38, Kalkaji ,  
New Delhi – 110 065,  
India

51/15A, Muniasampyuram, 2nd  
Street, Kamaraj Salai,  
Tuticorin – 628 003,  
Tamil Nadu, India

G-113, Near Gate No.1 Akshay  
Complex, Tadiwala Road, Pune  
– 411 001,  
Maharashtra, India.

516, Siddhartha Complex,  
Near Express Hotel,  
R. C. Dutt Road, Alkapuri,  
Baroda – 390 005  
Gujarat, India

Krishna Tower, 4th floor, Room  
no. 407, 15/63, civil line, Kanpur  
– 208 001  
Uttar Pradesh, India

Kukreja Centre, A Wing, Office.  
206, 2nd Floor, Plot no: 13,  
Sector-111, CBD Belapur  
Navi Mumbai – 400 614  
Maharashtra, India.

56-57, Bindra Complex,  
C-145 A, Phase V, Focal Point,  
Ludhiana – 141 010,  
Punjab, India

Office No. 247, 2nd Floor,  
Ganpati Plaza, M.I. Road,  
Jaipur – 302 001  
Rajasthan, India

Lokmat Bhavan, B wing,  
207, 2nd Floor, Wardha Road,  
Nagpur - 440012  
Maharashtra, India.

Surekha Chambers, 3rd Floor,  
Flat # 302, Ameerpet,  
Hyderabad – 500 016,  
Andhra Pradesh, India

Container Freight Stations at:

Kaproli Village,  
Taluka –Uran, nr. JNPT area  
Dist- Raigad - 410 212,  
Maharashtra, India

913 Thiruvottiyur High Road,  
Nr. Wimco Nagar Rly. Stn.  
Ernavur, Chennai – 600 057,  
Tamil Nadu, India

Bharat CFS Zone I,  
Mundra Port, &SEZ Ltd.  
Navinal Island, Mundra,  
District Kutch – 370 421,  
Gujarat, India

DECLARATION

To,  
The Members of  
Allcargo Global Logistics Limited

I, Shashi Kiran Shetty, Chairman & Managing Director of Allcargo Global Logistics Limited ("the Company"), hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct, laid down and adopted by the Company, during the year ended December 31, 2009.

For Allcargo Global Logistics Limited

**Shashi Kiran Shetty**  
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Allcargo Global Logistics Limited

We have examined the compliance of conditions of corporate governance by **Allcargo Global Logistics Limited**, for the year ended December 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta**  
Company Secretaries

**Dipti Mehta**  
Partner  
Membership No. 3667  
C.P. No. 3202

Place : Mumbai  
Date : April 07, 2010



### Economy Overview:

The Indian economy seems to have gained a strong foothold on the recovery path backed by timely and aggressive policy responses by the Government and the RBI to tackle the crisis and bring about a turnaround in consumer as well as business sentiment. However, some downside risks in the form of inflation, concerns regarding a double dip recession in some developed economies, and their implications on the Indian economy and its global trade do persist. In a dynamic economic environment, like the one we have been witnessing over the last 2 years, it becomes imperative for businesses to track the macroeconomic performance on an ongoing basis.

Going into the new financial year, the growth looks sustainable supported by factors such as rising consumption and investment levels, exports moving to positive territory and comfortable liquidity position. Focus on infrastructure spending by the Government and an increase in investment demand by corporates along with improved consumption would provide an impetus to industrial production. However, the risks due to decline in agricultural GDP in Q3 and Q4 and weakening impact of stimulus measures on manufacturing sector continue to be a concern. Another cause of concern is that the agricultural growth rate might continue to remain negative even as the services and industrial sector may grow at 9.5 - 10%, further aggravating the supply shock and fuelling inflation. With inflation expected to remain at double-digit levels in the first few months of FY 11, the RBI might take some measures aimed at arresting the mounting inflationary pressure, though in a calibrated manner without affecting growth.

In the global scenario, it looks a mixed bag with the advanced economies still making their way out of the downturn amidst fresh fears from Portugal, Italy, Greece and Spain. However, India and China are set to lead the world economy out of the downturn. From an investment perspective, a lot of funds which were invested in Gold last year, will come back to the manufacturing and services industry in Asia. China especially looks poised to overtake Japan this year as the world's second-largest economy after the United States. The World Bank raised its forecast for China to 9.5 per cent growth for 2010 from the 8.7 per cent it projected in November. A huge stimulus package and ample lending by China's government-controlled banks helped its economy avoid a recession last year. China grew 8.7 per cent in 2009, less than in previous years but still a huge gain, especially when compared with the drop in gross domestic product that hit most other leading economies. However China still remains an export driven economy, unlike India which has a huge domestic consumption and self-sustainable demand.

Corporate India had great expectations from the budget this year as the economic recovery, mainly due to government stimuli, is still at a nascent stage. The time was good to introduce some significant reforms. The plan towards fiscal consolidation though involves a partial roll back of stimulus package, will help to strengthen the macroeconomic fundamentals of the economy. We are positive on consumption push due to increased fund allocations on various rural development schemes and infrastructure growth plans including road, rails, ports, airports, oil and gas and power.

## Management Discussion And Analysis

**Industry Overview:**

The Indian logistics industry accounts for a mere 2% (\$100 billion) of the \$5,000-billion global logistics industry. Owing to general inefficiencies, logistics is a high-cost activity in India compared to the developed nations. The country has the second largest network of roads (3.83 million km after US's 6.43 million km), the fourth largest rail network (63,000 km), 128 airports, 12 major ports, 1 trans-shipment port and 187 non-major ports—all of these giving an indication of the potential size of the logistics industry in India. To add to this, the anticipated growth of organized retail (currently 6% of total retail compared to 85% in the US) will also spur this industry, especially the outsourcing of logistics to 3PL players will act as a key industry growth driver.

In India, the multi modal transportation industry is still very fragmented and unorganized leading to the inefficiencies. Majority (65% to 70%) of the products are still transported by road and only 30 to 35% by rail (primarily EXIM and bulk products) in spite of the fact that rail movement brings in economies of scale and is much cheaper for longer distances and heavier loads. The industry is hampered by high transaction costs, more time taken in processing EXIM containers, excess documentation, and high cost of handling EXIM containers. In the absence of modern warehousing practices, there are regular slippages to the extent of 15-25% of cargo business. These inefficiencies have arisen over the years from a combination of a non-conducive policy environment, extensive industry fragmentation and lack of good basic infrastructure. India's indirect tax regime discouraged large centralized warehouses and led, over time, to fragmentation in the warehousing sector. At the same time, the absence of a single logistics 'champion' (whether in form of a ministry or otherwise) in the government (or industry) led to a disintegrated approach to development of the sector.

However, much of this is changing with the government now demonstrating a strong commitment towards providing an enabling infrastructure and creating conducive regulations. There is significant current and planned investment in infrastructure to the tune of (INR 15 trillion) over the next few years and an increased emphasis on public-private partnership. At the same time, regulations around rationalization of tax structures and prevention of overloading for example are creating an environment of positive change. Players now have the opportunity to leverage economies of scale, complemented with better infrastructure, to provide integrated logistics solutions which are cost effective.

In addition, the evolving business landscape and increasing competition across industries, is creating the need for more efficient and reliable logistics services than what exist today. For example, rapid growth of organized retail and the need to reach out to the large untapped rural markets in India are necessitating development of strong back end and front end supply networks. It is in this context that capability development of logistics service providers assumes critical importance. While rapid development

across all dimensions of organizational capability will be required to achieve and sustain demand growth, logistics being a service industry, manpower capabilities assume utmost importance.

**Logistics on a growth trajectory**

The Indian logistics sector grew by 8 to 10 per cent annually over this decade. Several factors have favorably impacted the growth of the logistics industry, like the country's changing tax regime, growth across major industry segments such as automobile, pharmaceutical, fast moving consumer goods (FMCG) and the emergence of organized retail. With escalating competition and cost pressures, companies are increasingly focusing on their core competencies by outsourcing their logistics requirements to third party logistics (3PL) players.

The future of the Indian logistics and warehousing industry is currently governed by three key factors:

- Increasing domestic demand
- Reducing logistics cost
- Improvement in Infrastructure

**Increasing domestic demand**

Emergence of organized retail:

Globally, retail has been a key growth driver for the logistics industry and India is no exception to this phenomenon. Organized retail in India has been growing at over 30 per cent year-on-year. The growth of organized retail has created demand for specialised logistics services, wherein every retailer relies on strong logistics and warehousing infrastructure for the success of its business. This changing business environment should give further impetus to the logistics sector by generating increased demand for high-quality and efficient logistics and warehousing services.

Increase in foreign trade:

With India now participating more actively in imports and exports, over the major part of the decade and volumes growing consistently till 2008 before the downturn affected the global trade, India is set to increase its share in global trade from less than 1% now to about 1.6% in 2012.

India's emergence as a manufacturing hub:

India has already been an attractive destination for outsourcing of services by the advanced economies of the west owing to availability of low cost, high quality talent pool. However, going forward India could also become a favored destination for outsourcing of custom-based, high-technology manufacturing activities. According to Confederation of Indian Industries (CII), India will emerge as one of the global 'manufactured product' outsourcing hubs and reach revenues of approximately US\$ 50 billion by 2015. In order to remain cost competitive, contract manufacturers will be required to provide integrated logistics solutions that will bolster the cost savings potential of the

outsourcing initiative. The increasing trend of outsourcing will, in turn, drive strong demand for logistics solutions in the country.

**Reducing logistics costs**

The logistics costs in India – which includes inventory holding, transportation, warehousing, packaging, losses and related administration costs – is estimated at approximately 13 per cent of GDP and is high when compared to the corresponding figures for major economies. India's multi-layered tax regime, infrastructure bottlenecks and other inefficiencies have been the primary reasons in keeping logistics costs high in India. As per the World Bank's report on the Logistics Performance Index, a 0.5 per cent decrease in logistics cost leads to 2 per cent growth in trade and a 40 per cent increase in the range of products that get exported out of the country.

With these factors in mind, the Indian logistics story is looking on a growth path over the next few years. This is well supported by investment plans of the government in the logistics infrastructure which will help the domestic logistics industry reach a size of \$385 billion by 2015.

The warehousing segment which makes up 20% of the logistics industry is dominated by small players with limited capacity. This segment is expected to grow to \$55 billion by 2011, constituting then about 35% of the total logistics industry in India and by that time it would have in excess of 50 million sq ft Warehousing space and more than a hundred Logistics Parks across the country.

Logistics parks are slated to come up across the country over the next few years, thereby adding substantial warehousing space across the country. This will be aided by privatization of ports, opening of dedicated freight corridors, roads development, improved and enhanced ports handling etc.

**Company Overview:**

While 2007 and 2008 saw a buoyant economy, rising consumer spending, rising industrial activity especially in this part of the world, 2009 was a year severely impacted due to the global economic downturn as exhibited by the falling export volumes and reduced consumer spending. However, as a company, Allcargo takes pride in the fact that even in the face of the worst economic downturn of the century, the company moved from strength to strength and grew phenomenally across its business segments. Our operational excellence and effective cost management has helped us reduce costs to a large extent thereby improving our operating margins. Our high quality service, aggressive marketing and customer focus helped us gain additional market share in the shrinking pie. With the variety of inter-linked businesses that we operate in, we were able to bring in synergy which has further strengthened our position as a leading logistics solutions provider in the country.

**Multimodal Transport Operations (MTO)**

Our MTO business comprises LCL Consolidation, Trailer movement and Project logistics. Our LCL Consolidation business, our largest contributor to the gross revenue mainly caters to the EXIM traffic across the world. With presence in 160 locations across 59 countries, we are one of the largest players in the world. Owing to the global economic downturn, and falling export volumes across the world, this industry experienced a tremendous impact on volumes. The first half of 2009 also saw a steep fall in freight rates owing to the supply demand gap. Even in these testing times, the company stood tall dropping only 7% year on year at EBITDA level. The year on year fall in gross revenue comes from the fall in freight rates which is essentially a pass through in the NVOCC business. In spite of the year on year decline in volumes we were able to sustain our EBITDA levels primarily due to improved operational efficiencies which helped bring down our operating costs and hence improve margins. With the EXIM volumes for the coming year looking to rise substantially and with our margins continuing to improve we expect substantial growth in this sector in the coming year.

Our Project logistics business has seen a phenomenal growth this year, with the operating revenue rising by 31% over last year. Riding on India's infrastructure growth story and the steep gap between the demand and supply of skilled personnel—a key driver for this business, this business will continue to grow exponentially over the next 2-3 years.

Our trailer transportation business has helped us extend our service offerings to our customers in combination with the LCL Consolidation services. By virtue of being present in the MTO segment including transport through water, road and air, we are able to offer customers end-to-end transport services. The trailer transportation business grew 26% year on year at a gross revenue level. At an EBITDA level the increase was 78% with a significant contribution coming from improvement in margins.

**CFS/ICD/Warehousing Operations**

Our CFS and ICD division is largely dependent on EXIM container traffic in and out of the three main Indian ports—JNPT, Chennai and Mundra. The CFS at JNPT mostly caters to the Import container traffic (which forms 93% of the total throughput) which has a higher profitability per TEU on account of the storage collections being higher compared to Export. The Chennai CFS too has a higher proportion of Import containers (71% of the total throughput). On the other hand, Mundra is an export driven market with the Export containers contributing 84% of the throughput at Mundra CFS.

A closer look at the EBITDA per TEU for each CFS suggests that for JNPT and Mundra our profitability has improved over last year, while at Chennai there is a marginal drop in the same. The marginal drop in EBITDA per TEU at a consolidated level comes from



increased contribution of Mundra (which is an export driven and hence a low margin market) and ICD Pithampur (which is in its first year of operation and hence in a nascent stage). Going forward, as Pithampur and other ICDs reach a stage of maturity, we see the EBITDA per TEU rising.

#### Equipment Hiring Division

The equipment hiring business in India is projected to be one of the fastest growing businesses riding on the back of strong infrastructure development plans over the next few years. The industry currently is facing a strong demand – supply gap thereby providing opportunities for growth.

The equipment hiring division has been on a phenomenal growth path since 2007. From a turnover of INR 26.16 Crore in 2007, it has grown to INR 63.8 Crore in 2009. This growth has been achieved through a combination of increase in capacity through new asset purchases and improvement of utilization levels and up-time of the existing assets.

The company owns 72 cranes for the year ended 31<sup>st</sup> December, 2009. The company has been focusing on adding high-capacity cranes the demand for which is projected to rise rapidly with focus on infrastructure.

#### Outlook for 2010:

The macro economic signals are very positive with the global economy showing signs of growth and India and China taking a lead in pulling the world out of recession. EXIM volumes the world over are looking to increase. This is a positive sign especially for our LCL Consolidation and CFS & ICD businesses which cater to the EXIM container traffic. Some of the positives have already been witnessed in the form of increasing volumes over the last quarter of 2009 and the first couple of months in 2010. The other growth driver for our businesses is the large-scale infrastructure development happening in India especially roads, ports, highways, power plants etc which will create demand for cranes and other equipment and project logistics business. In addition to that, growth in the organized retail sector and the need for management of logistics by third party players will boost the warehousing and 3PL business that the company has plans to expand in aggressively over the next 2-3 years. With the overall economy looking up and the logistics industry poised for a steep growth path, the company has planned several strategic moves that will help different businesses grow and also for the company to exploit attractive opportunities in new businesses.

In the LCL Consolidation business, we are looking at expanding, by organic or inorganic route, in geographies where we currently do not enjoy a strong presence. This includes China and USA. China especially would be of great significance, by virtue of being an export driven economy, and hence would contribute freight to the entire Euline network. One of the strategies that has worked in

favor of the group is the size and the spread of the network which very few global players possess and adding China and USA to this network would strengthen it beyond compare.

The CFS, ICD and warehousing businesses is another area which will see capacity addition and expansion. The Chennai and Mundra CFS are increasing in capacity. Looking at the strong demand in Mundra, the CFS capacity is being doubled from the existing levels. The ICD at Pithampur near Indore started its operations in mid 2009 and is expected to see an increase in volumes in 2010. Two other ICDs – at Dadri and Hyderabad are expected to start their operations during the course of the year. The Goa warehouse which started its operations in October 2009 will see a growth in volumes in the coming year. The construction for phase II of the Goa warehouse is also underway. Other ICDs that the company plans to start over the next 12-18 months include Bangalore, Nagpur and Pune.

The Project Division has grown considerably in 2009 by foraying into new verticals like Rail by serving 90% of the market in Metro Rail segments. The division also secured some mega projects in the Power and Aluminum sectors through innovative and customized logistics solution. Skilled manpower being a key resource for this business, the company has invested significantly in training of its manpower and has developed unique CRM solutions to cater to the industry requirements.

The projected GDP growth has give significant confidence in many overseas and domestic players to actively participate in India's infrastructure building process through investments in Power, Steel, Metal, and Oil & Gas sectors, which will drive the growth in 2010 and beyond. To meet these challenges the company is planning to increase investments in equipments like Hydraulic Axles, Heavy equipment material handling Systems and by way of Global expansion of project cargo services in China and other emerging economy through qualified and trained manpower resource.

#### Risks and Concerns:

The Company is operating in an environment that is becoming more and more competitive. As it gets into the expansion mode, it is poised to exploit several new opportunities. The Company ensures that the risks it undertakes are commensurate with better returns.

#### Economic Risk

Our business is substantially dependent on the prevailing global economic conditions. As witnessed last year the global trade directly impacts our MTO and CFS, ICD and Warehousing businesses. Factors that may adversely affect the global economy and in turn our business include slowdown in the rate of infrastructure development, inflation, changes in tax, trade, fiscal and monetary policies, scarcity of credit etc. However, given the estimate of over 8% growth in the Indian economy in 2010,

planned investment in the infrastructure sector in the Eleventh Five Year Plan (2007-2012) to the tune of approximately Rs. 2 million crore, rising per capita disposable income, burgeoning consumer spending, growth in EXIM traffic and increasing outsourcing of the logistics function by companies, we do not expect to be significantly affected by this risk.

#### Competition Risk

**This risk arises from more players wanting a share in the same pie.**

Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. However, Allcargo has established strong brand goodwill in the market and a strong foothold in the entire logistics value spectrum. We are the second largest LCL Consolidator in the world, with around 139 own offices across 59 countries and 198 agents and franchisees in 130 countries. Our wide geographical presence and network across the globe helps us generate higher volumes. We are working on a blueprint to consolidate our position as the market leader and enter newer segments and offer our customers "a one-stop-shop" in the logistics arena. We have built a strong relationship with most of the leading carriers/liners and as a result are able to obtain favorable commercial terms and operational advantages. We also counter this risk with the quality of our infrastructure, service levels and relationships with our customers. Thus, we do not expect to be significantly affected by this risk.

#### Trade Risk

**Our business can be affected by the rise and fall in the levels of imports and exports in the country.**

Given the projected growth in the Indian economy, rising spending in the infrastructure and manufacturing space and increasing per capita and disposable income, it is estimated that imports will continue to rise steadily. The Company is also aggressively expanding its CFS/ICD business, a high margin segment which is essentially dependent on imports. With its foray into niche areas like equipment hiring, crane rental, project cargo etc., the Company is further reducing its dependence on exports. Thus, we believe we have adequate mitigation in place for trade risk.

#### Regulatory Risk

**If we are unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected.**

We require certain approvals, licenses, registrations and permissions for operating our MTO and CFS/ICD business. We may encounter delays in obtaining these requisite approvals, or may not be able to obtain such approvals at all, which may have an adverse effect on our revenues. However, the Government has come up with a number of initiatives to boost the logistics sector

and has planned massive investments in the infrastructure sector. As all industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining such permissions, we do not expect this risk to affect us materially in the coming years.

#### Liability Risk

**This risk refers to our liability arising from any damage to cargo, equipment, life and third parties which may adversely affect our business.**

The Company attempts to mitigate this risk through contractual obligations and insurance policies. We are covered under the MTO & Freight Forwarder's Insurance Policy. However, given that the limits of indemnity are restricted to a particular amount for each claim, this risk cannot be entirely mitigated.

#### Execution Risk

**The Company has been developing a number of projects in the last year and several more are in the pipeline. Project execution is largely dependent upon land purchase, project management skills and timely delivery by equipment suppliers. Any delay in project implementation can impact revenue and profit for that period.**

Our implementation schedules are in line with the plans. Emergency and contingency plans are in place to prevent or minimize business interruptions. Therefore, we do not expect this risk to affect us materially in the future. Concerns like soaring land prices, a complex tax structure, infrastructure bottle-necks, retaining talent and unprecedented natural and man-made disasters and political/social turmoil which may affect our business, remain. However, these are threats faced by the entire industry. With superior methodologies and improved processes and systems, the Company is well positioned to lead a high growth path.

#### Internal control systems and adequacy

The Company's well defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. Use of IT and validation of security in this regard is given proper attention by the management. The Company also has an ERP system in place which provides support at all stages of the business.

## Auditor's Report

To The Members of **Allcargo Global Logistics Limited**

1. We have audited the attached Balance Sheet of **Allcargo Global Logistics Limited** as at December 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluation of the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in the Companies (Accounting Standard) Rules, 2006, issued by Central Government, read together with sub-section (3C) of Section 211 of the Companies Act, 1956;
  - v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - a. in the case of the balance sheet, of the state of affairs of the Company as at December 31, 2009;
    - b. in the case of the profit and loss account, of the profit for the year ended on that date; and
    - c. in the case of the cash flow statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on December 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For Appan & Lokhandwala Associates**  
Chartered Accountants

**SP. Palaniappan**  
Partner  
Membership No.38378

Place: Mumbai  
Dated: April 07, 2010

## Stand-alone Financial Statements





**ANNEXURE TO THE AUDITORS' REPORT**

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. Fixed Assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- ii) a. Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification.
- iii) a. The Company had granted an unsecured loan to a company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 37,122 thousand. At the year-end, the outstanding balance of the loan granted was nil.
- b. In our opinion, the rate of interest and other terms and conditions of the loan were not prima facie prejudicial to the interest of the Company.
- c. In the case of loan granted to the body corporate listed in the register maintained under section 301 of the Companies Act, 1956, the borrower has been regular in the payment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and is repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- d. There is no overdue amount of more than rupees one lakh in respect of the loan granted to a body corporate listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly 4(iii)(d) of the Order is not applicable.
- e. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 of the Act. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to sale of goods and supply of services. During the course of the audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) As the Company has not accepted any deposits from the public, paragraph 4(vi) of the Order is not applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- ix) a. According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income-tax, Wealth tax, Sales tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. According to the information and explanation given to us, and the records examined by us, there are no dues of Income tax, Sales tax, Customs duty, Wealth tax, Excise duty, Service tax or Cess which have not been deposited on account of any dispute, other than those stated hereunder:

Sr. No	Name of the Statute	Period to which the amount relates	Amount Disputed Rs. in thousands	Amount Paid Rs. in thousands	Forum where pending
1	Income Tax Act	Assessment years 2003-04, 2004-05, 2005-06, 2006-07	650,000	20,000	Appellate Authority  - upto
2	-	2007-08, 2008-09 and 2009-10			Tribunal level

- x) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- xiii) As the Company is not a chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4(xiii) of the Order is not applicable.
- xiv) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name except investments of Rs. 4,500 thousand continued to be held in the name of demerged entity.
- xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flows of the Company, we report that funds raised on short-term basis have not been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii) The Company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4(xix) of the Order is not applicable.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended December 31, 2009.

**For Appan & Lokhandwala Associates**  
Chartered Accountants

**SP. Palaniappan**  
Partner  
Membership No. 38378

Place: Mumbai  
Dated: April 07, 2010

**BALANCE SHEET AS AT DECEMBER 31, 2009**

(Rs. in 000's)

	Schedule	This Year	Previous Year
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	249,623	223,636
Share Warrants (Refer Note 3 Part II of Schedule 22)		-	293,622
Employees Stock Option Outstanding	2	16,474	16,187
Reserves and Surplus	3	7,651,806	4,435,327
			4,968,772
<b>LOAN FUNDS</b>			
Secured Loans	4	1,092,968	1,052,845
Unsecured Loan		-	1,009,730
		1,092,968	2,062,575
<b>DEFERRED TAX LIABILITY (NET)</b>			
		265,503	200,096
		<b>9,276,374</b>	<b>7,231,443</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	5,089,668	3,776,623
Less : Depreciation		987,154	624,993
Net Block		<b>4,102,514</b>	3,151,630
Capital Work In Progress		617,527	594,484
		4,720,041	3,746,114
<b>INVESTMENTS</b>			
	6	2,003,429	1,152,174
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>A. Current Assets</b>			
Interest Accrued on Investment		1,358	402
Spares and Consumables		27,148	19,572
Sundry Debtors	7	728,594	713,341
Cash and Bank Balances	8	203,472	326,000
<b>B. Loans and Advances</b>			
	9	2,461,317	1,983,046
		<b>3,421,889</b>	<b>3,042,361</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A. Current Liabilities</b>			
	10	783,947	630,669
<b>B. Provisions</b>			
	11	85,038	79,029
		<b>868,985</b>	<b>709,698</b>
<b>NET CURRENT ASSETS</b>			
		2,552,904	2,332,663
<b>MISCELLANEOUS EXPENDITURE</b>			
(to the extent not written off or adjusted)	12	-	492
		<b>9,276,374</b>	<b>7,231,443</b>
Significant Accounting Policies and Notes on Accounts	22		

As per our report of even date

For Appan & Lokhandwala Associates

Chartered Accountants

SP. Palaniappan  
Partner  
Membership No. 38378

Place : Mumbai  
Dated : April 07, 2010

For and on behalf of the Board

Shashi Kiran Shetty  
Chairman & Managing Director

Keki Elavia  
Director

S. Suryanarayanan  
Group Chief Financial Officer

Shailesh Dholakia  
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2009**

(Rs. in 000's)

	Schedule	This Year	Previous Year
<b>INCOME</b>			
Operating Income	13	5,167,562	5,167,914
Other Income	14	153,425	137,609
		<b>5,320,987</b>	<b>5,305,523</b>
<b>EXPENDITURE</b>			
Multimodal Transport Operations	15	2,406,653	2,639,478
Container Freight Stations	16	464,405	365,867
Equipment Hire	17	158,057	147,782
Employee Cost	18	357,829	341,794
Administrative and Selling	19	344,754	402,729
Interest	20	149,636	124,474
Depreciation	5	376,338	254,686
Preliminary Expenses Written Off		843	414
		<b>4,258,515</b>	<b>4,277,224</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEM</b>			
		1,062,472	1,028,299
<b>Provision For Taxation</b>			
Current Tax		168,730	116,755
Deferred Tax		65,407	98,504
MAT Credit		(153,538)	(60,497)
Wealth Tax		189	116
Fringe Benefit Tax		3,630	9,371
		<b>84,418</b>	<b>164,249</b>
<b>PROFIT AFTER TAX AND BEFORE EXCEPTIONAL ITEMS</b>			
		<b>978,054</b>	<b>864,050</b>
<b>Exceptional items (Net of tax)</b>			
	21	-	62,686
<b>PROFIT AFTER TAX AND AFTER EXCEPTIONAL ITEMS</b>			
		<b>978,054</b>	<b>926,736</b>
Tax Adjustment for earlier years		1,746	(71)
Balance brought forward from Previous Year		1,708,620	942,366
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>			
		<b>2,688,420</b>	<b>1,869,031</b>
<b>APPROPRIATIONS :</b>			
Interim Dividend Paid		62,416	-
Tax on Interim Dividend		10,608	-
Proposed Dividend		62,423	55,909
Tax on Proposed Dividend		10,609	9,502
General Reserve		100,000	95,000
Surplus Carried to Balance Sheet		2,442,364	1,708,620
		<b>2,688,420</b>	<b>1,869,031</b>
<b>EARNING PER SHARE OF PAR VALUE OF RS 2/- EACH (PY. RS 10/- EACH)</b>			
<b>Earnings Per Share - Basic</b>			
Before Exceptional Items		8.53	38.65
After Exceptional Items		8.54	41.45
<b>Earnings Per Share - Diluted</b>			
Before Exceptional Items		8.53	37.59
After Exceptional Items		8.53	40.16
Significant Accounting Policies and Notes on Accounts	22		

As per our report of even date

For Appan & Lokhandwala Associates

Chartered Accountants

SP. Palaniappan  
Partner  
Membership No. 38378

Place : Mumbai  
Dated : April 07, 2010

For and on behalf of the Board

Shashi Kiran Shetty  
Chairman & Managing Director

Keki Elavia  
Director

S. Suryanarayanan  
Group Chief Financial Officer

Shailesh Dholakia  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009**

(Rs. in 000's)

Particulars	This Year	Previous Year
<b>A. Cash Flow From Operating Activities</b>		
Net Profit Before Tax and Exceptional Items	1,062,472	1,028,299
Depreciation	376,338	254,686
Loss on Sale of Fixed Assets	750	1,527
Preliminary Expenses Written Off	843	414
Interest Payments	149,636	124,474
Employees Compensation Expenses (Stock Option)	2,497	3,201
Foreign Exchange Loss/(Gain)	(9,210)	(43,825)
Interest Received	(43,302)	(18,602)
Provision for Doubtful Debts	823	37,203
Profit on Sale of Assets	(12,105)	(13,899)
Profit on Sale of Investments	(21,605)	(30,642)
Bad Debts Written Off	-	30,612
Provisions For Liabilities	(1,612)	5,877
Dividend	-	(30)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,505,525</b>	1,379,295
Adjustment For:		
(Increase)/Decrease in Trade and Other Receivables/Stock	(99,591)	(852,715)
Increase/(Decrease) in Trade Payables and Other Liabilities	153,259	246,127
Direct Taxes Paid	(182,508)	(129,936)
<b>Net Cash From Operating Activities</b>	<b>1,376,685</b>	642,771
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets (Including Capital Advances)	(1,380,184)	(1,527,195)
Purchase of Investments	(2,963,365)	(3,134,352)
Sale of Investments	2,317,653	3,221,151
Sale of Fixed Assets	41,272	40,263
Investments/Loans to Subsidiaries	(411,795)	(947,305)
Interest Received	42,346	18,602
Dividend	-	30
<b>Net Cash From Investing Activities</b>	<b>(2,354,073)</b>	(2,328,806)
<b>C. Cash Flow From Financing Activities</b>		
Receipt / Payment of Loans	40,122	1,818,783
Preliminary Expenses Incurred	(350)	-
Share Issue Expenses Incurred	(16,874)	(45,310)
Proposed Dividend	(55,909)	(67,088)
Tax on Proposed Dividend	(9,502)	(11,402)
Interim Dividend	(62,416)	-
Tax on Interim Dividend	(10,608)	-
Deferred Tax Liability	-	-
Issue of Share Warrants	-	293,622
Issue of Share Capital including Premium	1,120,033	963
Interest Paid on Loans	(149,636)	(124,474)
<b>Net Cash From Financing Activities</b>	<b>854,860</b>	1,865,094
<b>Net Increase in Cash and Cash Equivalent (A+B+C)</b>	<b>(122,528)</b>	179,059
Cash and Cash Equivalent At The Beginning of Year	326,000	146,941
Cash and Cash Equivalent of Merged Undertaking At The Beginning of Year	-	-
<b>Cash and Cash Equivalent at the end of the year</b>	<b>203,472</b>	326,000

As per our report of even date

For Appan &amp; Lokhandwala Associates

For and on behalf of the Board

Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place : Mumbai

Dated : April 07, 2010

Shashi Kiran Shetty

Chairman &amp; Managing Director

S. Suryanarayanan

Group Chief Financial Officer

Keki Elavia

Director

Shailesh Dholakia

Company Secretary

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009**

(Rs. in 000's)

Schedule	This Year	Previous Year
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,75,000,000 Equity Shares of Rs. 2/- each (Previous year 30,000,000 Equity Shares of Rs. 10/- each)	350,000	300,000
<b>Issued, Subscribed and Paid up Capital</b>		
124,811,265 Equity Shares of Rs. 2/- each fully paid (Previous Year 22,363,611 Equity Shares of Rs. 10/- each)	249,623	223,636
	249,623	223,636
<b>2 EMPLOYEES STOCK OPTION OUTSTANDING</b>		
Employees Stock Option Outstanding	17,109	19,482
Less: Deferred Employee Compensation Expenses	635	3,295
	16,474	16,187
<b>3 RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Balance as per last balance sheet.	2,046,226	2,088,607
Received during the year	2,399,617	2,936
	4,445,843	2,091,543
Less: Capitalised during the year	8	7
Less: Share Issue Expenses	16,874	45,310
	4,428,961	2,046,226
<b>General Reserve</b>		
Balance as per last balance sheet.	680,481	585,481
Add: Transferred from profit and loss account	100,000	95,000
	780,481	680,481
<b>Profit and Loss Account</b>	2,442,364	1,708,620
	7,651,806	4,435,327
<b>4 LOAN FUNDS</b>		
<b>Secured Loans</b>		
From Banks:		
Term Loans		
(Secured by mortgage of assets of Container Freight Stations at Mumbai and Chennai; Inland Container Depots at Pithampur and Hyderabad; Hypothecation of Vehicles and Equipments)	1,092,968	1,052,845
<b>Unsecured Loan</b>		
6% (Net of Tax) Fully and Compulsorily Convertible Debentures	-	1,009,730
	1,092,968	2,062,575

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009  
Schedule - 5 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.01.2009	Additions during the period	Deductions / Adjustments during the period	As at 31.12.2009	As at 01.01.2009	Additions during the period	Deductions / Adjustments during the period	As at 31.12.2009	As at 31.12.2008
Freehold Land	260,927	-	-	260,927	-	-	-	260,927	260,927
Leasehold Land	209,283	346,317	7,378	548,222	15,498	15,756	-	516,968	193,785
Building	787,728	181,272	-	969,000	29,923	14,182	-	924,895	757,805
Plant and Machinery	143,216	12,516	229	155,503	20,409	5,306	15	129,803	122,807
Heavy Equipments	2,164,010	787,447	27,148	2,924,309	480,593	319,977	11,567	2,135,306	1,683,417
Vehicles - Others	21,599	12,244	9,218	24,625	6,775	2,363	2,545	18,032	14,824
Office Equipments - computers	85,084	8,093	123	93,054	43,546	11,587	50	37,971	41,538
Furnitures and Fixtures	84,603	5,361	-	89,964	23,035	5,637	-	61,292	61,568
Software Packages	20,173	3,891	-	24,064	5,214	1,530	-	17,320	14,959
<b>THIS YEAR</b>	<b>3,776,623</b>	<b>1,357,141</b>	<b>44,096</b>	<b>5,089,668</b>	<b>624,993</b>	<b>376,338</b>	<b>14,177</b>	<b>4,102,514</b>	<b>-</b>
PREVIOUS YEAR	2,486,234	1,333,339	42,950	3,776,623	385,366	254,686	15,059	-	3,151,630
Capital Work-In-Progress								<b>617,527</b>	594,484
								<b>4,720,041</b>	3,746,114

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009 (Rs. in 000's)

Schedule	This Year	Previous Year
<b>6 INVESTMENTS</b>		
<b>In Subsidiaries</b>		
10,000 Equity Shares of Contech Transport Services Pvt. Ltd. of Rs. 100/- each	2,168	2,168
11,500 Equity Shares of Allcargo Belgium N.V. of Euro 1,000 each	684,793	684,793
250,000 Equity Shares of Hindustan Cargo Ltd of Rs. 10/- each	89,058	89,058
9,999 Equity Shares of Ecu Line (India) Pvt Ltd. Of Rs. 10/- each	100	100
20,131 (P.Y. 10,000) Ordinary Shares of Asia lines Ltd of Euro 100 each (10,131 Ordinary Shares were subscribed for during the year)	132,088	63,400
10,000 ( P.Y. 9,999) Equity Shares of AGL Ports Pvt Ltd of Rs. 10/- each (1 Equity share was purchased during the year)	100	100
10,000 ( P.Y. 9,999) Equity Shares of AGL Terminal Pvt Ltd of Rs. 10/- each (1 Equity share was purchased during the year)	100	100
10,000 ( P.Y. 9,999) Equity Shares of AGL Warehousing Pvt Ltd of Rs. 10/- each (1 Equity share was purchased during the year)	100	100
1,181,500 ( P.Y. 841,500) Equity Shares of Allcargo Logistics Park Pvt Ltd of Rs 10/- each (3,40,000 Equity shares were subscribed for during the year)	11,815	8,415
6,525,000 (P.Y. 9,999) Equity Shares of South Asia Terminals Pvt Ltd (Formerly known as AGL Projects Pvt Ltd) of Rs. 10/- each (1 Equity share was purchased and 6,515,000 Equity Shares were subscribed during the year)	65,250	100
<b>In Fully paid-up-Equity shares</b>		
<b>I) Long Term Investments</b>		
<b>Quoted</b>		
10,000 Equity Shares of Magic (Qpro) Trading Co. Ltd. of Rs. 10/- each	100	100
2,500 Equity Shares of Allsoft Corporation Ltd. of Rs. 10/- each	83	83
<b>Unquoted - Trade</b>		
<b>In Associate Companies</b>		
10 Equity Shares of Alltrans Port Management Pvt. Ltd. of Rs. 100/- each	1	1
21,800 Equity Shares of Transnepal Freight Services Pvt. Ltd. of Rs. 100/- (Nepal Rupees) each	1,363	1,363
90 Ordinary Shares of Transworld Logistics & Shipping Services Inc. of USD 500 each	1,093	1,093
4,674,807 (P. Y. 5,000) Equity Shares of Sealand Warehousing Pvt. Ltd. of Rs 10/- each	46,748	50



**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009**  
 (Rs. in 000's)

Schedule	This Year	Previous Year
<b>II) Current Investments - Non Trade</b> (At cost or market value whichever is lower)		
<b>Investments in Mutual Funds Units</b>		
435,645.326 Units of Reliance Equity oppurtunities Fund	4,500	4,500
13,366,251.37 (P.Y. Nil) Units of Fortis Money Plus Fund (25,801,946.58 Units purchased and 12,435,695.21 Units sold during the year)	218,940	-
9,488,885.269 (P.Y. Nil) Units of Kotak Floater Long Term (11,194,575.044 Units purchased and 1,705,689.775 Units sold during the year)	135,651	-
13,562,851.136 (P.Y. Nil) Units of LIC MF Floating Rate Fund (19,309,626.606 Units purchased and 5,746,775.47 Units sold during the year)	200,614	-
8,294,831.490 (P.Y. Nil) Units of LIC MF Income Plus Fund Growth (15,990,333.144 Units purchased and 7,695,501.654 Units sold during the year)	99,087	-
18,101,425.604 (P.Y. Nil) Units of Templeton India Ultra Short Bond Fund-Super IP (26,809,652.715 Units purchased and 8,708,227.111 Units sold during the year)	209,677	-
81,614.105 (P.Y. Nil) Units of Reliance Money Manager Fund IP Growth (81,614.105 Units purchased during the year)	100,000	-
NIL (P.Y. 549,211.796) Units of Birla Sunlife Income Plus (549,211.796 Units sold during the year)	-	22,000
NIL (P.Y. 3,639,596.184) Units of Birla Sunlife Liquid Plus Retail growth (3,639,596.184 Units sold during the year)	-	59,226
NIL (P.Y. 8,718,992.631) Units of DWS Liquid Plus Fund -Ultra Short Term fund (7,036,629.85 Units purchased and 15,755,622.481 Units sold during the year)	-	88,208
NIL (P.Y. 5,288,464.668) Units of Tata Floater Fund (1,746,379.17 Units purchased and 7,034,843.838 Units sold during the year)	-	67,856
NIL (P.Y. 3,451,129.771) Units of Templeton Frif - Long Term IP Growth (3,296,759.46 Units purchased and 6,747,889.231 Units sold during the year)	-	44,360
NIL (P.Y. 1,104,232.154) Units of ICICI Prudential Floating Rate Fund Plan C (2,371,129.91 Units purchased and 3,475,362.06 Units sold during the year)	-	15,000
	<b>2,003,429</b>	1,152,174
Aggregate Amount of Quoted Investments	183	183
Aggregate Amount of Unquoted Investments	1,034,776	850,842
Aggregate Amount of Current Investments	968,470	301,149
	<b>2,003,429</b>	1,152,174
Aggregate Market Value of Quoted Investments	-	47
Aggregate Market Value of Current Investments	982,320	302,796

**SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009**  
 (Rs. in 000's)

Schedule	This Year	Previous Year
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>7 SUNDRY DEBTORS (Unsecured )</b>		
Debts outstanding over six months		
Considered Good	66,983	105,809
Considered Doubtful	28,946	38,211
	<b>95,929</b>	144,020
Other Debts		
Considered Good	661,611	607,532
	<b>661,611</b>	607,532
	757,540	751,552
Less :Provision for Doubtful Debts	28,946	38,211
	<b>728,594</b>	713,341
Out of the above Sundry Debtors Rs. 109,977 thousand (P.Y Rs. 186,485 thousand) is outstanding from Subsidiary Companies		
<b>8 CASH AND BANK BALANCES</b>		
Cash on Hand	3,680	5,666
Balances with Scheduled Banks:		
In Current Accounts	164,202	286,788
In Fixed Deposit Accounts	35,590	33,546
	<b>203,472</b>	326,000
<b>9 LOANS AND ADVANCES</b> (Unsecured, considered good unless otherwise stated)		
Due from Subsidiaries	361,697	562,305
Advances recoverable in cash or kind or for value to be received	1,791,985	1,135,335
Advance Tax net of provisions Rs. 155,988 thousand (P.Y. Rs. 371,742 thousand)	53,949	42,243
MAT credit entitlement	247,374	93,836
Balance with Customs and Ports	6,312	149,327
	<b>2,461,317</b>	1,983,046
<b>10 CURRENT LIABILITIES</b>		
Sundry Creditors		
Total Outstanding dues to:		
Micro, Small or Medium Enterprises	-	-
Others	159,201	199,408
Unpaid Dividend*	126	101
Other Liabilities	624,620	431,160
*There is no amount due to be credited to Investors Education & Protection Fund		
	<b>783,947</b>	630,669
<b>11 PROVISION</b>		
For Proposed Dividend	62,423	55,909
For Tax on Proposed Dividend	10,609	9,502
For Retirement Benefits	12,006	13,618
	<b>85,038</b>	79,029
<b>12 MISCELLANEOUS EXPENDITURE</b>	Nil	492

## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009

(Rs. in 000's)

Schedule	This Year	Previous Year
<b>13 OPERATING INCOME</b>		
Multimodal Transport Operations	3,130,813	3,327,838
Container Freight Stations	1,500,282	1,454,961
Equipment Hire	536,467	385,115
	<b>5,167,562</b>	5,167,914
<b>14 OTHER INCOME</b>		
Interest (Gross of tax deducted at source Rs. 2501 thousand (FY. Rs. 2621 thousand))	43,302	18,602
Profit on Sale of Assets	12,105	13,899
Profit on Sale of Investments	21,605	30,642
Management Fees	42,302	14,967
Dividend	9,969	30
Rent	5,265	-
Exchange Gain/Loss	2,099	43,825
Business Support Charges	16,778	15,644
	<b>153,425</b>	137,609
<b>15 MULTIMODAL TRANSPORT OPERATIONS</b>		
Operating Expenses	1,283,059	1,664,707
Claims and Compensation	-	8,145
Documentation Charges	8,610	14,253
Break Bulk Expenses	785,719	644,976
Insurance	4,792	4,622
Import Delivery Order Charges	45,096	50,598
Air Freight Expenses	31,139	43,088
Space Reservation Charges	10,223	11,360
Fuel Expenses	72,621	52,484
Vehicle Repairs	38,621	39,264
Spares Consumed	45,041	38,568
Other Expenses	81,732	67,413
	<b>2,406,653</b>	2,639,478
<b>16 CONTAINER FREIGHT STATIONS</b>		
Power & Fuel	88,458	89,061
Container Transportation Charges	71,234	18,266
Equipment Hire Charges	26,445	32,308
Repairs & Maintenance - Others	43,894	49,599
Rebates and Discounts	111,607	46,947
Other Expenses	122,767	129,686
	<b>464,405</b>	365,867
<b>17 EQUIPMENT HIRE</b>		
Spares Consumed	45,974	32,542
Fuel Expenses	24,081	14,423
Hiring Expenses	11,711	56,212
Insurance	2,606	814
Repairs & Maintenance - Others	49,648	32,967
Other Expenses	24,037	10,824
	<b>158,057</b>	147,782

## SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009

(Rs. in 000's)

Schedule	This Year	Previous Year
<b>18 EMPLOYEE COST</b>		
Salaries & Other Benefits	314,340	288,716
Contribution to Provident & Other Funds	13,530	11,726
Gratuity	(572)	4,444
Staff Welfare Expenses	30,531	36,908
	<b>357,829</b>	341,794
<b>19 ADMINISTRATIVE AND SELLING</b>		
Communication Charges	15,592	17,311
Rent, Rates & Taxes	69,954	59,663
Travelling	68,641	76,133
Electricity Charges	22,027	19,389
Repairs to :		
Building	9,027	6,424
Others	9,806	9,771
Directors' Fees & Commission	3,425	3,865
Professional and Legal Fees	36,184	44,094
Insurance	3,653	4,015
Donations	9,621	6,211
Business Promotion	31,067	26,291
Provision for Doubtful Debts	823	37,203
Payment to Auditors :		
For Audit	1,750	1,750
For Tax Audit	500	450
For Other services	1,177	415
Other Expenses	61,507	89,744
	<b>344,754</b>	402,729
<b>20 INTEREST</b>		
On Fixed Loans	92,409	63,946
On Bank Overdrafts	465	782
On Debentures	56,762	58,756
Other Interest	-	990
	<b>149,636</b>	124,474
<b>21 EXCEPTIONAL ITEMS (NET OF TAX)</b>		
Profit on sale of shares of subsidiary	-	67,741
Capital work in progress written off	-	(4,540)
Exceptional Income (Net)	-	63,201
Less: Provision for Tax		
Current Tax	-	7,161
Deferred Tax	-	-
MAT Credit	-	(6,646)
	-	62,686

**Schedule 22****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS****1. Statement of Significant Accounting Policies****1. Accounting Conventions:**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India, the accounting standards notified by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**2. Fixed Assets:**

- 2.1 Fixed assets are recorded at cost less accumulated depreciation.
- 2.2 Cost includes purchase price and any attributable cost of bringing the asset to its applicable use.

**3. Asset Impairment :**

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows of the asset are discounted to their present value at an appropriate discount rate. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The amount of reversal will be limited to recording the asset at the carrying amount that would have been determined (net of depreciation) had not impairment loss been recognised for that asset in prior years.

**4. Depreciation:**

- 4.1 Leasehold land is amortised equally over the period of the lease.
- 4.2 Depreciation on fixed assets including assets created on land and office premises under lease is provided on straight line method at the rates provided in Schedule XIV to the Companies Act, 1956. Renewal of leases is assumed consistent with past practice
- 4.3 Fixed assets costing Rs. 5000/- or less are fully depreciated in the year of acquisition.

**5. Investments:**

- 5.1 Long Term Investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline other than of a temporary nature. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.
- 5.2 Current Investments are carried at lower of cost or fair value.
- 5.3 Profit/loss on sale of investments is computed with reference to their average cost.

**6. Inventories:**

Inventories of Spares and Consumables are valued at cost or net realisable value whichever is lower. Cost includes all charges incurred for bringing the inventories to their present condition and location.

**7. Expenditure During Construction Period :**

Expenditure during construction period is included under Capital Work in Progress and the same is allocated to the respective fixed assets on completion of construction.

**8. Borrowing Cost :**

Borrowing costs that are directly attributable to the acquisition/ construction of the underlying fixed assets are capitalised as part of the respective asset upto the date of the acquisition/ completion of construction.

**10. Revenue Recognition:**

- 10.1 Multimodal Transport Income and Multimodal Transport Expenses are recognized on the basis of sailing of vessels and completion of transport as per contractual terms.
- 10.2 Income from Container Freight Station Operations relating to export containers is accounted on an accrual basis. Container Freight Station ground rent charge on Import Stuffed Containers is accounted to the extent of recoverability from carriers of containers. Import cargo handling charges are accounted on clearance.
- 10.3 Revenue and expenses for sale of abandoned cargo are recognized when auctioned. Surplus, if any, out of auctions is credited to a separate account "Auction Surplus" and is shown under Current Liabilities. Unclaimed Auction Surplus outstanding for more than one year is written back as income in the subsequent financial year.
- 10.4 Income on equipment hire is recognized as per contractual terms.

**11. Employee's Retirement Benefit:**

- 11.1 Retirement benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to the Profit and Loss Account of the year when the contributions to the respective funds accrue.
- 11.2 Gratuity liability which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.
- 11.3 Leave encashment benefit on retirement, wherever applicable, is determined on the basis of actuarial valuation and such liability is provided in the accounts.

**12. Employees Stock Option Plan:**

The Accounting value of stock options representing the excess of the market price over the exercise price of the options granted under "Employees Stock Option Scheme" of the Company is amortised on straight-line basis over the vesting period as "Deferred Employees Compensation" in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

**13. Taxes on Income:**

Current Tax is the amount of tax payable on the assessable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognized only when there is virtual certainty of their realisation and on other items when there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rate and laws enacted or substantially enacted on the balance sheet date.

Provision for Fringe Benefit Tax for the year has been determined in accordance with the provisions of section 115WC of the Income Tax Act, 1961.

Minimum Alternative Tax (MAT) credit is recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**14. Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the year end exchange rates. Exchange gains/losses are recognized in the profit and loss account. Non Monetary foreign currency items like investment in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of the original transaction.



**15. Leases :**

Lease rentals in respect of operating lease arrangements are charged to profit and loss account. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Expenditures incurred on improvements to leasehold premises are classified into Capital and Revenue. Capital expenditures are classified under Fixed assets and Revenue Expenditures are debited to profit and loss account.

**16. Segment Reporting:**

The Accounting Policies adopted for segment reporting are in line with Accounting Policies of the Company. Segments assets include all operating assets used by the business segments and consist principally of fixed assets and current assets. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments, are reflected as unallocated corporate income / expenses.

**II. Notes Forming Part of Accounts:**

1. Figures in rupees have been rounded off to the nearest thousands.
2. Previous period figures are regrouped wherever necessary to confirm to this year's classification.
3. Conversion of Securities issued on Preferential basis

During March 2008, the Company had issued and allotted 1,081,081 Fully and Compulsorily Convertible Debentures (FCCD) of Rs.934 each and 1,513,514 Optionally Convertible Warrants of Rs. 10 each, convertible into equal number of equity shares of the Company on /before completion of period of 18 months from the date of their respective allotment. Accordingly, the Company had received Rs. 1,009,730 thousands on allotment of FCCDs and Rs. 293,620 thousands on allotment of Warrants in March 2008.

On September 29, 2009, 1,081,081 FCCD of Rs.934 were converted into equal number of equity shares of Rs. 10 each at a premium of Rs.924 per equity share.

On October 22, 2009, 1,513,514 Warrants of 10 each were converted into equal number of equity shares of Rs. 10 each at a premium of Rs.924 per equity share.

The Warrant conversion price was linked to the performance of the Company for the financial year 2008 and according to this, the Company was entitled to receive Rs. 1.284 per equity share. This price was revised to Rs.934 per equity share, being the minimum price approved by the Members of the Company at their Extraordinary General Meeting held on February 19, 2008.

4. Contingent Liabilities not provided for :
  - i) Counter Guarantees to Banks against guarantees issued by them Rs. 470,129 thousand (PY Rs 349,275 thousand)
  - ii) Continuity Bond executed in favour of The President of India through the Commissioner of Customs Rs. 3,295,000 thousand. (PY Rs. 3,245,000 thousand)
  - iii) Guarantees issued to Bankers in respect of Nepal Intermodal Transport Development Board equivalent to Rs. 6,636 thousand (PY Rs 6,998 thousand)
  - iv) Guarantees issued to Bankers and outstanding in respect of Allcargo Belgium NV and ECU International NV equivalent to Rs 458,160 thousands and Rs 332,000 thousand respectively (PY Rs 469,855 and Rs 340,475 respectively)
  - v) Custom Duty payable on Import of equipment under EPCG Scheme if the Company is not able to fulfill its Export Obligation, Rs. Nil (PY Rs 52,957 thousand)
  - vi) Suits filed against the Company towards operational claims Rs.34,013 thousand (PY Rs 30,338 thousand).
  - vii) Income Tax demand for the AY 2003-04 upto AY 2009-10 against which the Company has preferred an appeal is Rs. 650,000 thousand (PY Rs 4,932 thousand) after setting off the net Advance Tax of Rs 52,641 thousands.

5. Amounts due to Micro, Small and Medium Enterprises:

- i) The names of the Micro, Small and Medium Enterprises suppliers defined under "The Micro, Small and Medium Enterprises Development Act, 2006" could not be identified, as the necessary evidence is not in the possession of the Company.
- ii) The names of the Small Scale Undertakings to whom the Company owes a sum exceeding Rs. 100,000 which is outstanding for more than 30 days could not be identified, as the necessary information is not in the possession of the Company.

6. In the opinion of the management and to the best of its knowledge and belief, the Current Assets and Loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

7. Sub-division of equity shares from Rs. 10 per equity share to Rs.2 per equity share

During November 2009, the Company sub-divided the face value of its equity shares from Rs. 10 per equity share to Rs. 2 per equity share pursuant to approval of the Members sought through postal ballot voting. Accordingly, the issued, subscribed and paid up share capital of the Company as on December 31, 2009 after sub-division was Rs.249,622,530 divided into 124,811,265 equity shares of Rs.2 each.

8. Segment Reporting

- (a) Information about Business Segments (Information provided in respect of revenue items for the year ended December 31,2009 and in respect of assets /liabilities as at December 31,2009.

(Rs. in 000's)

Particulars	Multimodal Transport Operations		Container Freight Station		Equipment Division		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
<b>Revenue</b>								
External	3,130,813	3,327,838	1,500,282	1,454,961	536,467	385,115	5,167,562	5,167,914
Add : Inter Segment Revenue	45,804	45,349	31,726	27,047	91,742	109,797	169,272	182,193
Total Revenue	3,176,617	3,373,187	1,532,008	1,482,008	628,209	494,912	5,336,834	5,350,107
<b>Result</b>								
<b>Segment Result Before Interest And Tax</b>	421,205	347,093	780,417	831,230	170,923	184,369	1,372,545	1,362,692
Interest Expense							(149,636)	(124,474)
Unallocated Income net of Unallocated Expenses							(160,437)	(209,919)
<b>Profit Before Tax and Exceptional Item</b>							1,062,472	1,028,299
Taxes							84,418	164,249
<b>Profit After Taxes And Before Exceptional Items</b>							978,054	864,050
Add: Exceptional Items (net of tax)							-	62,686
<b>Profit After Tax</b>							978,054	926,736
Segment Assets	1,226,864	1,195,987	1,979,229	1,815,611	1,878,186	1,417,787	5,084,279	4,429,385
Unallocated Assets							5,061,080	3,511,756

(Rs. in 000's)

Particulars	Multimodal Transport Operations		Container Freight Station		Equipment Division		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
Total Assets							10,145,359	7,941,141
Segment Liabilities	399,059	350,169	100,172	72,027	139,598	54,556	638,829	476,752
Unallocated Liabilities							1,588,627	2,495,617
Total Liabilities							2,227,456	2,972,369
Total Costs incurred during the year to acquire								
Segment Assets	83,177	122,543	356,857	572,663	727,040	778,658	1,167,074	1,473,864
Segment Depreciation	49,452	38,877	69,600	56,161	245,578	149,316	364,630	244,354
Secondary Segment – Geographical								
The Company's operating facilities are located only in India								
Domestic Revenues							5,167,562	5,167,914

9. RELATED PARTY DISCLOSURES

List of Related Parties and Relationships

(A) Relationships :

1) Subsidiary Companies :

Contech Transport Services Pvt Ltd  
 Allcargo Belgium N.V.  
 Hindustan Cargo Ltd.  
 ECU Line (India) Pvt Ltd  
 AGL Ports Pvt Ltd  
 South Asia Terminals Pvt Ltd  
 AGL Terminal Pvt Ltd  
 AGL Warehousing Pvt Ltd  
 Allcargo Logistics Park Pvt Ltd  
 Asia Lines Limited  
 Sealand Terminals Private Limited  
 ECU International (Asia) Pvt. Ltd.  
 ECU Line Abu Dhabi LLC  
 ECU Line Algeria  
 Ecu Logistics SA  
 Ecu-Line Australia Pty.Ltd.  
 ECUHOLD N.V.  
 Ecu Bro N.V.  
 ECU International N.V.  
 ECU-TECH BVBA  
 ECU-LINE N.V.  
 ECU-LOGISTICS N.V.  
 ECU-TRANS N.V.  
 D & E Transport NV

AGL N.V (Formerly known as RMK N.V)  
 ECU Air NV  
 Ecu Global Services NV (formerly known as IPTS)  
 ECU Logistics do brasil Ltda  
 Flamingo Line do Brazil Ltda  
 Ecu Line Bulgaria EOOD  
 ECU-Line Canada Inc.  
 ECU Line Chile S.A.  
 Container Freight Station S.A.  
 Flamingo Line Chile S.A  
 ECU Line Guangzhou Ltd  
 ECU Line De Columbia S.A.  
 Conecli International S.A  
 ECU Line Middleeast LLC  
 Euro Centre - Dubai  
 ECU Heavy Lift, W.L.L.  
 ECU Line Del Ecuador S.A.  
 Flamingo Line Ecuador  
 ECU Line Egypt Ltd  
 Flamingo Line El Salvador SA de CV  
 ECU-Line (Germany) GmbH  
 ELWA (GH) Ltd.  
 ECU Line Guatemala  
 ECU-Line Hong Kong Ltd.  
 ECU International Far East Ltd  
 ECU Line Italia srl  
 ECU Line Italy TRC srl  
 ECU Line Cote d'Ivoire Sarl  
 ECU Line Japan Ltd.  
 ECU Line Jordan  
 ECU Line Kenya Ltd  
 Ecu Shipping Logistic (K) Ltd  
 ECU Line Malaysia ECU-Line (JB) SDN BHD  
 ECU-Line Malta Ltd.  
 ECU-Line (Indian Ocean Islands) Ltd.  
 AMI Ventures Ltd  
 ECU Line Mediterranean Ltd  
 CELM Logistics S.A. De C.V.  
 Ecu Logistics de Mexico SA de CV  
 ECU Line Maroc S.A.  
 ECU LINE Rotterdam  
 ECU Line New Zealand Ltd.  
 ECU-Line de Panama S.A.  
 ECU-Line Paraguay S.A.  
 ECU-Line Peru S.A.  
 Flamingo Line Peru S.A  
 ECU Line Philippines Inc.  
 ECU-Line Polska Sp. z.o.o. UL  
 ECU Line Doha W.L.L.  
 ECU-Line Romania SRL  
 Rotterdam Freight Station BV  
 ECU Line Singapore Pte. Ltd.  
 ECU LINE SA (Pty.) Ltd.  
 ECU Line Spain S.L.Barcelona  
 Mediterranean Cargo Centers S.L. (MCC)  
 ECU Line (Thailand) Co.Ltd  
 ECU Line Tunisie sarl

ECU Line Turkey  
 ECU Line Xiamen  
 ECU-Line UK Ltd.  
 ECU-Line Uruguay (Deolix SA)  
 DLC  
 ELV Multimodal C.A.  
 Venezuela - AHL  
 Consolidadora Ecu Line CA  
 Ecu Line Vietnam  
 ECU Line Zimbabwe (Pty.) Ltd.  
 Ecu Line China Ltd  
 Ecu Line Switzerland GmbH  
 Ecurocentre Milan SRL  
 Guldary S.A.

2) Joint Venture Company : Transworld Logistics & Shipping Services Inc.  
 Sealand Warehousing Pvt Ltd

3) Associate Company : Transnepal Freight Services Pvt Ltd

4) Key Management Personnel :  
 1) Mr. Shashi Kiran Shetty  
 2) Mrs. Arathi Shetty  
 3) Mr. Adarsh Hegde

5) Relatives of Key Management Personnel  
 1) Mr. Umesh Shetty  
 2) Mrs. Shobha Shetty

6) Enterprises owned or significantly influenced by its key management personnel or their relatives :  
 Allcargo Shipping Services (P) Ltd  
 Avadh Marketing (P) Ltd  
 N.R.Holdings (P) Ltd  
 Transindia Freight (P) Ltd  
 Allcargo Movers (Bombay) (P) Ltd  
 Allnet Infotech (P) Ltd  
 Prominent Estate Holdings (P) Ltd  
 Transindia Freight Services (P) Ltd  
 Jupiter Machines (P) Ltd  
 Sealand Cranes (P) Ltd  
 Contech Estate (P) Ltd  
 Alltrans Logistics Private Limited  
 Alltrans Port Management Pvt Ltd  
 Logical Hotels Private Limited  
 Indport Maritime Agencies Pvt. Ltd.  
 SKS Netgate Pvt. Ltd.  
 Avash Builders Pvt Ltd.  
 Energy Health Spas Pvt Ltd.  
 SKS Realty Pvt. Ltd  
 India Tourist And Heritage Village Private Limited  
 SKS Ventures Private Limited  
 Talentos (India) Private Limited  
 Talentos Entertainment Private Limited  
 Sealand Holdings Private Limited  
 Avash Builders And Infrastructure Private Limited  
 Avash Logistic Park Private Limited  
 Sealand Ports Private Limited  
 Gujarat Integrated Maritime Complex Pvt. Ltd.

(B) Transactions with Related Parties:

(Rs. in 000's)

Sr. No.	Transactions	Subsidiary Companies	Joint Venture Company	Associate Companies	Key Management Personnel	Relatives of Key Management Personnel	Enterprises owned or significantly influenced by its key Management Personnel or their relatives
1	Interest Received	31,697	-	-	-	-	-
2	Rent Received	-	-	-	-	-	-
3	MTO Income	455,813	2,032	-	-	-	-
4	Hire & transport Received	5,024	-	-	-	-	-
5	Rent Paid	-	-	-	11,793	-	29,418
6	Remuneration to Directors	-	-	-	65,104	-	-
7	Salary paid	-	-	-	-	22,002	-
8	Car Hire charges	-	-	-	-	-	600
9	MTO Operation Expenses	641,416	4,828	-	-	-	-
10	CFS Expenses	6,180	-	-	-	-	-
11	Deposits Received Back	-	-	-	85,718	-	-
12	Outstanding Payables	42,755	-	-	-	-	369
13	Loans Given	784,179	-	-	-	-	-
14	Outstanding / Deposit Receivables	472,421	2,683	197	60,000	-	71,717
15	Share Application Pending Allotment	-	370,000	-	-	-	-
16	Advances / Deposits paid	145,707	-	436	-	-	27,920
17	Leasehold Land Premium Paid	6,654	-	-	345,725	-	-
18	Management Fees Received	40,267	20,000	-	-	-	-
19	Professional Fees	-	-	-	-	720	-
20	Business Support Charges Received	16,778	-	-	-	-	-
21	Loans and Advance Received Back	884,612	-	45	-	-	37,521
22	Loan Recd	32,354	-	-	-	-	-
23	Loan Repay	2,153	-	-	-	-	-
24	Reimbursement of Expenses	6,777	-	-	-	-	-
25	Project Management Fees	2,035	-	-	-	-	-
26	Purchase of Fixed Assets	32,354	-	-	-	-	-

10. Estimated amount of Contracts remaining to be executed on capital account and not provided is approximate **Rs. 84,423** thousand (Previous Year Rs. 71,094 thousand)



11. Computation of Profits under Section 349 of the Companies Act, 1956

(Rs. in 000's)

	This Year	Previous Year
Profit for the year before tax and exceptional items as per Profit & Loss Account	1,062,472	1,028,299
Add: Directors Remuneration	72,014	93,089
Directors Sitting Fees	425	865
Loss on Sale of Assets	-	1,527
Depreciation as per Accounts	376,338	254,686
Provision for Doubtful Debts	823	37,203
Profit on Sale of Assets as per Section 349 of the Companies Act 1956	-	13,899
	<b>449,600</b>	401,269
Less: Profit on Sale of Assets	12,105	13,899
Profit on Sale of Investments	21,605	30,642
Loss on Sale of Assets u/s 350 of the Companies Act, 1956	-	1,527
Depreciation u/s 350 of the Companies Act, 1956	376,338	254,686
	<b>410,048</b>	300,754
Net Profit for the purpose of Director's Remuneration	<b>1,102,024</b>	1,128,814
Maximum Managerial Remuneration to Managing and Executive Directors @ 10% of the Net Profits	110,202	112,881
Director's Managerial Remuneration Paid/Payable	69,013	90,089
Maximum Commission to Non Executive Directors @ 1 % of the Net Profits	11,020	11,288
Commission to Non Executive Directors Paid/Payable	3,000	3,000

12. Managerial Remuneration

(Rs. in 000's)

	This Year	Previous Year
<b>Remuneration paid to Managing Director/Whole-time Directors</b>		
Salary	12,602	16,480
Contribution to Funds	1,031	1,265
Value of Perquisites	2,880	2,344
Commission	52,500	70,000
	<b>69,013</b>	90,089
<b>Remuneration to Non Executive Directors</b>		
Profit Commission	3,000	3,000
Sitting Fees	425	865
	<b>72,438</b>	93,954

Mr. Umesh Shetty who is a relative of Mr. Shashi Kiran Shetty, Directors of the Company, has been appointed as Chief Executive Officer of Equipment Hiring Division of the Company for a period of 3 years commencing from January 1, 2009 on the terms and conditions and remuneration approved by the Members of the Company at the 16th Annual General Meeting held on June 12, 2009. The position occupied by Mr. Umesh Shetty is a place of profit as prescribed u/s 314(1B) of the Companies Act, 1956 and the same is subject to approval by Central Government. The Company has made necessary application to the Central Government seeking approval for the said appointment and the same is under consideration.

Provisions for retirement benefits which are based on actuarial valuation done for the Company as a whole are excluded from the above.

13. As the Company is not engaged in manufacturing, trading or processing activities, Quantitative information required by paras - 3 and 4c of part II of Schedule VI of the Companies Act, 1956 is not given.

14. Value of Imports calculated on CIF basis in respect of Capital Goods is Rs. 596,282 thousand (PY Rs. 538,269 thousand)

15. Disclosure for lease

Company's lease agreements are mainly in respect of operating leases taken for offices, residential premises, warehouse, commercial vehicles and equipment. The lease agreements are for a period ranging from eleven months to nine years. The lease agreements are cancellable at the option of either party by giving one month to six month's notice. The Company has given refundable interest free security deposits for certain agreements. Certain agreements provide for increase in Lease rent. Some of the agreements provide for renewal of lease by mutual consent. Lease payments recognised in the Profit and Loss Account are Rs. 49,953 thousand (PY Rs. 121,146 thousand). The Company has leased out commercial vehicles and office premises. The Lease rental income recognised in the Profit and Loss Account is Rs. 536,467 thousand (PY Rs. 382,573 thousand). The gross value of the Assets Leased out is Rs. 2,006,726 thousand (PY Rs. 1,319,607 thousand). Accumulated Depreciation of the Asset Leased out is Rs 502,849 thousand (PY Rs. 253,842 thousand). The depreciation recognised in the statement of Profit and Loss account for the Assets Leased out during the year is Rs. 239,883 thousand (PY Rs. 127,399 thousand).

16. Following Securities (current investments) were purchased and sold during the year.

(In 000's)

Name of the Security	This Year	Previous Year
	Units	Units
Birla Sun Life Cash Manager Institutional Premium Growth Plan		3,236
DWS Money Plus Regular Growth Plan	5,188	-
LIC MF Liquid Fund Growth Plan	11,312	-
Principal Cash Management Fund Liquid Option Institutional Premium Growth Plan		7,929
DWS Credit Opportunities Cash Fund		9,329
Birla Cash Plus Liquid Plan		7,750
ICICI Prudential Liquid Fund		4,380
JM Money Manager Fund	6,221	4,622
Kotak Flexi Debt Scheme Growth Plan	4,601	-
UTI Treasury Advantage Fund	17	-
DSP Black Rock Liquid Plus Fund – Regular Plan	44	-
Principal Floating Rate Fund FMS	7,020	-
ICICI Prudential STIP	1,095	-
Reliance Liquid Plus Fund – IP Growth	76	-
Reliance Short Term Retail Plan – Growth	1,256	-
UTI Floating Rate Fund – STP – Ins Growth	69	-

Name of the Security	This Year	Previous Year
	Units	Units
HDFC Mutual Fund		3,143
JM Financial Mutual Fund		3,598
Templeton India TMA Super IP Growth Plan		25
Tata Treasury Manager SHIP		94
LIC Mutual Fund Liquid Plus Fund		18,605
Principal Liquid Plus Fund		9,668
Mirae Asset Liquid Plus Fund		50
Templeton Floating Rate Income Fund Long Term Fund		9,258
Templeton India Ultra Short Bond Fund		9,708
LIC Mutual Fund Interval Fund-Series I		9,914
HDFC Liquid Fund-Premium Plan		6,100
JM High Liquidity Fund-Super IP		4,128
ICICI Prudential FMP Series 44		10,212
LIC MF Liquid Fund		5,797
Templeton India TMA		51
ICICI Prudential Flexible Income Plan	<b>598</b>	13,407
Tata Liquid Fund-Premium Plan		1,172
Tata Liquid Super High Investment Fund		85
DWS Insta Cash Plus Fund	<b>2,161</b>	16,536
Reliance Medium Term Fund – Retail Plan – Growth	<b>11,203</b>	
Birla Sunlife Savings Fund –Inst	<b>11,112</b>	
JP Morgan India Treasury Fund	<b>12,106</b>	
Birla Sunlife Liquid Plus Inst.-Growth	<b>3,778</b>	

17. Employees Stock Option Plan

In 2006, the Company had instituted an Employee Stock Option Plan (ESOP 2006) to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company. The Company granted stock options to be adjusted for the subsequent bonus issue prior to its Initial Public Offering of equity shares, to its permanent employees and to few of the permanent employees of its foreign subsidiaries at varying numbers depending upon their grades.

The following table sets forth the particulars of stock options granted under Allcargo ESOP-2006 as on December 31, 2009:

	This Year			Previous Year		
	No. of Options		Wt. Average Exercise Price	No. of Options		Wt. Average Exercise Price
	Series I (Pre - Listing)	Series II (Post - Listing)		Series I (Pre - Listing)	Series II (Post - Listing)	
Options outstanding at the beginning of the year (Rs 2 per share for current year; Rs 10 per share for previous year)	84,230	52,500	2	22,600	13,000	10
Add : Options granted during the year	-		-	-	-	--
Less : Exercised	16,355	Nil	2	2,977	-	10
Less : Forfeited / expired	1,210	Nil	2	2,777	2,500	10
Options outstanding at the year end (Rs 2 per share for current year; Rs 10 per share for previous year)	66,665	52,500	2	16,846	10,500	10
Option exercisable at year end	39,855	3,6750	-	4,744	3,675	--
Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earning Per share	Rs 8.53 (Face Value Rs 2 per equity share)	Rs 8.53 (Face Value Rs 2 per equity share)	-	40.16 (Face Value Rs 10 per equity share)	40.16 (Face Value Rs 10 per equity share)	-
Difference, if any, between the employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost recognized if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company.	The Company has charged a sum of Rs. 786 thousand being the fair value of options granted under ESOP 2006 (Series I) for the year ended Dec. 31, 2009.	The Company has charged a sum of Rs. 1,711 thousand being the fair value of options granted under ESOP 2006 (Series II) for the year ended Dec. 31, 2009.		The Company has charged a sum of Rs. 1,556 thousand being the fair value of options granted under ESOP 2006 (Series I) for the year ended Dec. 31, 2008.	The Company has charged a sum of Rs. 1,645 thousand being the fair value of options granted under ESOP 2006 (Series II) for the year ended Dec. 31, 2008.	
Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable	Not Applicable		Not Applicable	Not Applicable	

18. Retirement Benefits

The Company recognizes the provision for the employee retirement benefits as per the Accounting Standard 15 (Revised 2005) "Employee Benefits".

Actuarial valuation of Gratuity (Funded) has been done on the basis of the following assumptions:

(Rs. in 000's)		
I. Assumptions :	This Year	Previous Year
Discount Rate	8.25%	8.00%
Rate of Return on Plan Assets	8.00%	8.00%
Salary Escalation	5.00%	6.00%
II. Change in the Present Value Obligation :		
Liability at the beginning of the year	12,000	7,785
Interest Cost	1,034	810
Current Service Cost	4,008	2,638
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Liability Transfer in	-	-
Liability transfer out	-	-
Benefit Paid	(214)	(588)
Actuarial (gain)/loss on obligations	4,930	1,355
Liability at the end of the year	11,898	12,000
III. Change in the Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	7,808	6,330
Expected Return on Plan Assets	863	619
Contributions	3,088	1,702
Transfer from other company	-	-
Transfer to other company	-	-
Benefit Paid	(214)	(588)
Actuarial gain/(loss) on Plan Assets	(180)	256
Fair Value of Plan Assets at the end of the year	11,366	7,808
Total Actuarial Gain/(Loss) To Be Recognised	4751	(1,611)
IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	863	619
Actuarial gain/(loss) on Plan Assets	(180)	(256)
Actual Return on Plan Assets	684	363
V. Amount Recognised in the Balance Sheet :		
Liability at the end of the year	11,898	12,000
Fair Value of Plan Assets at the end of the year	11,366	7,808
Difference	(532)	(4,193)
Unrecognised Past Service Cost	-	-
Un recognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	(532)	(4,193)

(Rs. in 000's)

VI. Expenses Recognised in the Income Statement :	This Year	Previous Year
Current Service Cost	4,008	2,638
Interest Cost	1,034	810
Expected Return on Plan Assets	(863)	(619)
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Recognition of Transition Liability	-	-
Actuarial Gain or Loss	(4,751)	1,611
Expense Recognised in P&L	(572)	4,440

VII. Balance Sheet Reconciliation :		
Opening Net Liability	4,193	1,455
Expense as above	(572)	4,440
Transfer from other company	-	-
Transfer to other company	-	-
Employers Contribution	(3,088)	1,702
Amount Recognised in Balance Sheet	532	4,193

VIII. Category of Assets :		
Government of India Assets	-	-
Corporate Bonds	-	-
Special Deposits Scheme	-	-
State Govt	-	-
Property	-	-
Other	-	-
Insurer Managed Funds	11,366	7,808
<b>Total</b>	<b>11,366</b>	<b>7,808</b>

b) The Amounts recognized in respect of unfunded obligations:

Amount recognized in the balance sheet in respect of leave liability Rs. 11,473 thousand

Amount recognized in Salaries and Other Benefits in the Profit and Loss Account in respect of leave liability Rs. 2,056 thousand

19. MAT Entitlement

During the year, the Company has made provision for Minimum Alternate Tax (MAT) of Rs. 1,68,730 thousand (PY Rs 1,23,916 thousand). Considering the future expected benefits, the Company has recognised Rs. 1,53,538 thousand (PY Rs 67,143 thousand) as MAT entitlement credit representing excess of MAT provision over Current Tax.

Accordingly and based on the legal opinion the Company has retained the MAT entitlement claim of Rs 1,28,254 thousand upto the AY 2009-2010.

20. Earnings in Foreign Exchange

(Rs. in 000's)		
	This Year	Previous Year
Dividend	-	-
Multimodal Transport Operations	259,780	249,078
Equipment hire	13,347	5,773
Profit on sale of shares	-	67,741
Business Support Services	16,778	15,644
Management Fees	10,267	9,512

21. Expenditure in Foreign Currency

(Rs. in 000's)		
	This Year	Previous Year
Professional Fees	586	20,586
Other Expenditures	20,678	484,958



22. Dividend Remitted in Foreign Currency (Rs. in 000's)

	This Year	Previous Year
Final Dividend		
No. of Non Resident Shareholders	69	74
No. of Shares held	3,251,224*	2,876,964*
Interim Dividend (for 2009)		
No. of Non Resident Shareholders	77	-
No. of Shares held	28,656,985**	-

The Proposed Dividend of non resident shareholders are distributed locally to their custodians for the current year.

\* Face value of Rs. 10/- per Share

\*\* Face value of Rs. 2/- per Share

23. Computation of Deferred Tax is as follows: (Rs. in 000's)

	This Year	Previous Year
Deferred Tax Liability:		
Difference in Block of Assets	284,346	204,714
Deferred Tax Assets:		
Fiscal and other disallowances	18,843	4,618
Deferred Tax Liability (Net)	265,503	200,096

24. Scheme of Arrangement

The Board of Directors of the Company at its meeting held on January 25, 2010 had approved amalgamation of Sealand Terminals Pvt. Ltd., the wholly owned subsidiary of Contech Transport Services Pvt. Ltd., which is the wholly owned subsidiary of the Company, with the Company from April 1, 2009 ('The Appointed Date'). The Scheme of Arrangement made u/s 391 to 394 of the Companies Act, 1956 ('the Scheme') for such amalgamation has been filed with the Hon'ble Bombay High Court for necessary directions and approval.

As envisaged under the Scheme, there will be no issue and allotment of shares to Contech Transport Services Private Limited in consideration of amalgamation of Sealand Terminals Pvt. Ltd, as Contech Transport Services Private Limited, being the wholly owned subsidiary of the Company, cannot hold shares in the Company and the said Contech Transport Services Private Limited has waived its right to be allotted and receive any shares of the Company arising on amalgamation.

The Scheme will be subject to all necessary statutory approvals and assent of Hon'ble Bombay High Court. The effect of the Scheme on the financial results of the Company will be given upon the Scheme becoming effective.

25. Earnings Per Share: (Rs. in 000's)

	This Year	Previous Year
a) Net Profit Available for Equity Shareholders Before Exceptional Items	978,054	863,979
b) Net Profit Available for Equity Shareholders After Exceptional Items	979,800	926,665
c) Potential Increase in Earning upon Dilution	NIL	52,250
d) Weighted Average No. of Equity Shares		
Basic	114,698,720	22,362,178
Potential equity shares due to conversion of debentures	NIL	827,056
Potential equity shares due to issue of share warrants	NIL	1,157,880
Potential equity shares under ESOP	134,365	31,221
Diluted	114,833,085	24,378,335
e) Paid up Value Per Share (Rs.)	2/-	10/-
f) Earnings Per Share Before Exceptional Items (Rs.)		
Basic	8.53	38.65
Diluted	8.53	37.59
g) Earnings Per Share After Exceptional Items (Rs.)		
Basic	8.54	41.45
Diluted	8.53	40.16

INFORMATION REQUIRED AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I REGISTRATION DETAILS

Registration No  State Code

Balance Sheet Date

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)

Public Issue  Rights Issue

Bonus Issue

Private Placement

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN '000)

Total Liabilities  Total Assets

Source of Funds

Paid-up Capital  Reserves and Surplus

Secured Loans

Unsecured Loan

Application of Funds

Net Fixed Assets  Investments

Net Current Assets  Miscellaneous Expenditure

Accumulated Profit

IV PERFORMANCE OF THE COMPANY

Turnover  Total Expenditure

Profit Before Tax  Profit After Tax

Earning Per Share (Rs.)  Dividend Rate %

V GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)

Product Description

### AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors of **Allcargo Global Logistics Limited**

1. We have audited the attached Consolidated Balance Sheet of **Allcargo Global Logistics Limited** ("the Company") and its subsidiaries (together referred to as "The Group", as described in schedule 22, Note 6) as at December 31, 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluation of the overall financial statement presentation. We believe that our audit and the reports of other auditors provides a reasonable basis for our opinion.
3. We did not audit the financial statements of some subsidiaries whose financial statements reflect the Group's share of total assets of Rs.5,610,695 thousand as at December 31, 2009 and the Group's share of total revenues of Rs. 15,623,399 thousand for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of other auditors.
4. We did not audit the financial statements of subsidiary company viz. Allcargo Logistics Park Private Limited and the joint venture company viz. Sealand Warehousing Private Limited, whose unaudited financial statements reflect the Group's share of total assets of Rs. 560,167 thousand as at December 31, 2009 and Group's share of total revenues of Rs. 1,026 thousand for the year ended on that date. This subsidiary company and the joint venture company have been consolidated on the basis of such unaudited financial statements certified by the management.
5. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Venture issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Allcargo Global Logistics Limited and its subsidiaries included in the Consolidated Financial Statements, other than the subsidiary and the joint venture referred to in paragraph 4 which have been consolidated on the basis of unaudited financial statements.
6. On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries other than the subsidiary company and joint venture company referred to in paragraph 4 above which have been consolidated on the basis of unaudited financial statements, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2009;
  - b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Appan & Lokhandwala Associates**  
Chartered Accountants

**SP. Palaniappan**

Partner

Membership No.38378

Place: Mumbai  
Dated: April 07, 2010

## Consolidated Financial Statements



## CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2009

(Rs. in 000's)

Schedule	This Year	Previous Year
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS FUNDS</b>		
Share Capital	249,923	223,936
Share Warrants (Refer Note 4 (Part II) of Schedule 22)	-	293,622
Employees Stock Options Outstanding	16,474	16,187
Reserves and Surplus	9,544,814	5,579,686
	9,811,211	6,113,431
<b>LOAN FUNDS</b>		
Secured Loans	2,044,300	2,404,892
Unsecured Loans	-	1,034,753
	2,044,300	3,439,645
<b>DEFERRED TAX LIABILITY (NET)</b>	179,332	127,158
<b>MINORITY INTEREST</b>	134,512	114,859
	12,169,355	9,795,093
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Gross Block	9,240,823	7,084,425
Less : Depreciation	2,052,544	1,460,344
Net Block	7,188,279	5,624,081
Capital Work In Progress	749,929	741,080
	7,938,208	6,365,161
<b>INVESTMENTS</b>	1,668,216	828,052
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. Current Assets</b>		
Interest Accrued on Investment	1,570	402
Spares and Consumables	27,150	19,572
Sundry Debtors	2,354,132	2,974,864
Cash and Bank Balances	916,364	1,011,975
<b>B. Loans and Advances</b>	2,163,866	1,666,505
	5,463,082	5,673,318
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. Current Liabilities</b>		
	2,813,013	2,937,056
<b>B. Provisions</b>		
	87,138	137,559
	2,900,151	3,074,615
<b>NET CURRENT ASSETS</b>	2,562,931	2,598,703
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)	-	3,177
	12,169,355	9,795,093
Significant Accounting Policies and Notes on Accounts	22	

As per our report of even date

For Appan &amp; Lokhandwala Associates

Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place : Mumbai

Dated : April 07, 2010

For and on behalf of the Board

Shashi Kiran Shetty

Chairman &amp; Managing Director

S. Suryanarayanan

Group Chief Financial Officer

Keki Elavia

Director

Shailesh Dholakia

Company Secretary

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2009

(Rs. in 000's)

Schedule	This Year	Previous Year
<b>INCOME</b>		
Operating Income	20,609,331	23,140,819
Other Income	285,815	106,366
	20,895,146	23,247,185
<b>EXPENDITURE</b>		
Multimodal Transport Operations	12,437,855	15,380,320
Container Freight Station	458,225	365,866
Equipment Hire	155,635	147,783
Employee Cost	3,465,656	3,304,716
Administrative and Selling	1,900,964	1,740,990
Interest	231,635	248,537
Depreciation	544,696	447,218
Preliminary Expenses Written Off	5,895	3,083
	19,200,561	21,638,513
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEM</b>	1,694,585	1,608,672
Provision For Taxation		
Current Tax	359,873	305,544
Deferred Tax	49,989	93,896
MAT Credit	(153,538)	(53,099)
Wealth Tax	189	116
Fringe Benefit Tax	3,860	10,866
	260,373	357,323
<b>PROFIT AFTER TAX AND BEFORE EXCEPTIONAL ITEMS</b>	1,434,212	1,251,349
Exceptional Items (Net of tax)	(27,391)	(31,403)
<b>PROFIT AFTER TAX AND AFTER EXCEPTIONAL ITEMS</b>	1,406,821	1,219,946
Tax Adjustment for Earlier Years	298	(4,199)
<b>PROFIT BEFORE MINORITY INTEREST</b>	1,407,119	1,215,747
Profit Attributable to Minority Interest	107,627	138,725
<b>PROFIT AFTER MINORITY INTEREST</b>	1,299,492	1,077,022
Balance Brought Forward From Previous Year	2,200,027	1,283,416
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>	3,499,519	2,360,438
<b>APPROPRIATIONS :</b>		
Brought forward loss of liquidated subsidiaries	(5,870)	-
Interim Dividend Paid	62,416	-
Tax on Interim Dividend	10,608	-
Proposed Dividend	62,423	55,909
Tax on Proposed Dividend	10,609	9,502
General Reserve	100,000	95,000
Surplus Carried to Balance Sheet	3,259,333	2,200,027
	3,499,519	2,360,438
<b>EARNING PER SHARE OF PAR VALUE OF RS 2/- EACH (P.Y. RS 10/- EACH)</b>		
Earning Per Share - Basic		
Before Exceptional Items	11.57	49.38
After Exceptional Items	11.33	47.38
Earning Per Share - Diluted		
Before Exceptional Items	11.55	47.43
After Exceptional Items	11.32	46.14
Significant Accounting Policies and Notes on Accounts	22	

As per our report of even date

For Appan &amp; Lokhandwala Associates

Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place : Mumbai

Dated : April 07, 2010

For and on behalf of the Board

Shashi Kiran Shetty

Chairman &amp; Managing Director

S. Suryanarayanan

Group Chief Financial Officer

Keki Elavia

Director

Shailesh Dholakia

Company Secretary



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009**

(Rs. in 000's)

Particulars	This Year	Previous Year
<b>A. Cash Flow From Operating Activities</b>		
Net Profit Before Tax and Exceptional Items	1,694,585	1,608,672
Depreciation	544,696	447,218
Loss on Sale of Fixed Assets	778	1,527
Preliminary Expenses Written Off	5,896	3,083
Interest Payments	231,635	248,537
Employees Compensation Expenses (Stock Option)	2,497	3,201
Exceptional Item	5,965	(26,349)
Unrealised Foreign Exchange Loss / (Gain)	(239)	(28,478)
Exchange difference on translation of foreign currency cash and cash equivalents	14,044	(82,166)
Interest Received	(38,456)	(29,541)
Provision for Doubtful Debts	5,091	47,156
Profit on Sale of Assets	(12,142)	(13,967)
Profit on Sale of Shares	(204,032)	(30,642)
Bad Debts Written Off	48,156	35,551
Provisions For Liabilities	(298)	6,198
Dividend	(9,866)	(30)
Operating Profit Before Working Capital Changes	2,288,310	2,189,970
<b>Adjustment for:</b>		
Increase / Decrease in Trade and Other Receivables/Stock	221,935	(1,709,990)
Increase / Decrease in Trade Payables and Other Liabilities	(212,017)	640,752
Direct Taxes Paid	(423,862)	(312,223)
<b>Net Cash From Operating Activities</b>	<b>1,874,366</b>	<b>808,509</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets (Including Capital Advances)	(1,748,992)	(2,008,630)
Purchase of Investments	(3,629,780)	(1,098,106)
Sale of Investments	2,993,648	352,793
Sale of Fixed Assets	41,689	99,175
Interest Received	37,288	29,541
Dividend	9,866	30
<b>Net Cash From Investing Activities</b>	<b>(2,296,281)</b>	<b>(2,625,198)</b>
<b>C. Cash Flow From Financing Activities</b>		
Receipt / Payment of Loans	(385,616)	2,177,127
Preliminary Expenses Incurred	(1,036)	(556)
Share Issue Expenses Incurred	(16,874)	(45,309)
Proposed Dividend	(55,909)	(67,088)
Tax on Proposed Dividend	(9,502)	(11,402)
Interim Dividend/Minority Interest	(62,416)	29,140
Tax on Interim Dividend	(10,608)	-
Deferred Tax Liability	-	-
Issue of Share Warrants	-	293,622
Issue of Share Capital including Premium	1,120,033	2,976
Interest Paid on Loans	(231,635)	(248,537)
<b>Net Cash From Financing Activities</b>	<b>346,438</b>	<b>2,129,973</b>
<b>Net Increase in Cash and Cash Equivalent (A+B+C)</b>	<b>(75,477)</b>	<b>313,284</b>
Cash and Cash Equivalent at the beginning of year	1,011,975	631,315
Less: Upon Desubsidiarisation	6,090	14,789
Less: Exchange difference on translation of Foreign Currency cash & cash equivalents	14,044	(82,166)
<b>Cash and Cash Equivalent at the end of the year</b>	<b>916,364</b>	<b>1,011,975</b>

As per our report of even date

For Appan &amp; Lokhandwala Associates

Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place : Mumbai

Dated : April 07, 2010

For and on behalf of the Board

Shashi Kiran Shetty

Chairman &amp; Managing Director

Keki Elavia

Director

S. Suryanarayanan

Group Chief Financial Officer

Shailesh Dholakia

Company Secretary

**CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009**

(Rs. in 000's)

Schedule	This Year	Previous Year
<b>I SHARE CAPITAL</b>		
<b>Authorised</b>		
175,000,000 Equity Shares of Rs. 2/- each		
(Previous year 30,000,000 Equity Shares of Rs. 10/- each)	350,000	300,000
3,000 13% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	300	300
	<b>350,300</b>	<b>300,300</b>
<b>Issued, Subscribed and Paid up Capital</b>		
124,811,265 Equity Shares of Rs. 2/- each fully paid	249,623	223,636
(Previous year 22,363,611 Equity Shares of Rs. 10/- each)		
3,000 13% Non Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid	300	300
	<b>249,923</b>	<b>223,936</b>
<b>2 EMPLOYEES STOCK OPTIONS OUTSTANDING</b>		
Employees Stock Options Outstanding	17,108	19,482
Less : Deferred Employee Compensation Expenses	634	3,295
	<b>16,474</b>	<b>16,187</b>
<b>3 RESERVES AND SURPLUS</b>		
Securities Premium Account	4,428,961	2,046,226
General Reserve	1,046,674	890,015
Revaluation Reserve	3,191	3,452
Exchange Translation Reserve	87,091	(302,282)
Capital Redemption Reserve	300	300
Capital Reserve	719,264	741,948
Profit and Loss Account	3,259,333	2,200,027
	<b>9,544,814</b>	<b>5,579,686</b>
<b>4 LOAN FUNDS</b>		
<b>Secured Loans</b>		
From Banks:		
a) Working Capital Facilities	204,784	637,187
(Secured by hypothecation of stores, stock, book debts, certain vehicles mortgage of assets / interest in assets situated at respective locations)		
B) Term Loan	1,839,516	1,767,705
(Secured by mortgage of assets of Container Freight Stations at respective locations)		
	<b>2,044,300</b>	<b>2,404,892</b>
<b>Unsecured Loans</b>		
6% (Net of Tax) Fully and Compulsorily Convertible Debentures	-	1,009,730
From Others	-	25,023
	-	1,034,753
	<b>2,044,300</b>	<b>3,439,645</b>

## CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule - 5 FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	Opening	Additions	Deduction / Adjustments	Closing	Opening	For the year	Deduction / Adjustments during the period	Closing	This Period	Previous Year
<b>Intangible Assets</b>										
Goodwill on Consolidation	2,001,359	106,527	(319,726)	2,427,612	53,537	-	(1,897)	55,434	2,372,178	1,947,823
Goodwill	11,109	110	(9,879)	21,098	865	1,136	(9,138)	11,139	9,959	10,244
Research and Developments / Licenses and Concessions	172,103	4,945	(25,422)	202,470	104,598	47,402	3,395	148,605	53,865	67,505
Software Packages	23,140	4,180	-	27,320	7,121	2,105	-	9,226	18,094	16,019
Leasing & Similar Rights	38,604	14,991	(7,048)	60,643	22,090	3,079	(9,570)	34,739	25,904	16,514
<b>Tangible Assets</b>										
Freehold Land	260,928	-	-	260,928	-	-	-	-	260,928	260,928
Leasehold Land	209,283	346,317	7,378	548,222	15,498	15,756	-	31,254	516,968	193,785
Building	1,221,513	341,243	(55,861)	1,618,617	240,299	46,550	(17,057)	303,906	1,314,711	981,214
Leasehold improvements	5,401	1,568	919	6,050	3,232	1,583	919	3,896	2,154	2,169
Plant and Machinery	330,681	54,466	9,870	375,277	139,744	31,024	(16,460)	187,228	188,049	190,937
Heavy Equipments	2,164,010	802,282	27,148	2,939,144	480,594	320,814	11,567	789,841	2,149,303	1,683,416
Other Vehicles	25,087	12,244	10,035	27,296	8,752	2,720	3,001	8,471	18,825	16,335
Office Equipments - computers	96,652	12,524	173	109,003	49,419	14,407	72	63,754	45,249	47,233
Furnitures and Fixtures	500,871	33,935	(48,098)	582,904	320,402	53,731	(9,953)	384,086	198,818	180,469
Other Tangible Assets	23,684	4,811	(5,744)	34,239	14,193	4,389	(2,383)	20,965	13,274	9,491
<b>This Year</b>	<b>7,084,425</b>	<b>1,740,143</b>	<b>(416,255)</b>	<b>9,240,823</b>	<b>1,460,344</b>	<b>544,696</b>	<b>(47,504)</b>	<b>2,052,544</b>	<b>7,188,279</b>	<b>-</b>
Previous Year	5,580,633	1,721,184	217,392	7,084,425	1,143,785	447,218	130,659	1,460,344	749,929	5,624,081
Capital Work in Progress									741,080	
Total									7,938,208	6,365,161

Note: Deductions / Adjustments includes foreign exchange difference arising due to translation of all foreign subsidiaries' fixed assets at closing exchange rate.

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009  
(Rs. in 000's)

Schedule	This Year	Previous Year
<b>6 INVESTMENTS</b>		
I) Long Term Investments		
At Cost, fully paid up		
a) Quoted	183	183
b) Unquoted	509,328	525,217
II) Current Investments - Quoted	1,158,705	302,652
	1,668,216	828,052
Aggregate Amount of Quoted Investments	183	183
Aggregate Amount of Unquoted Investments	509,328	525,217
Aggregate Amount of Current Investments	1,158,705	302,652
	1,668,216	828,052
Aggregate Market Value of Quoted Investments	-	47
Aggregate Market Value of Current Investments	1,173,089	302,796
<b>7 SUNDRY DEBTORS (Unsecured)</b>		
Sundry Debtors	2,404,239	3,030,292
Less : Provision For Doubtful Debts	50,107	55,428
	2,354,132	2,974,864
<b>8 CASH AND BANK BALANCES</b>		
Cash on Hand	16,885	18,063
Balances with Scheduled Banks:		
In Current Accounts	863,141	960,221
In Fixed Deposit Accounts	36,338	33,691
	916,364	1,011,975
<b>9 LOANS AND ADVANCES</b>		
Advances Recoverable in cash or kind or for value to be received	1,896,376	1,419,873
MAT credit entitlement	247,374	93,836
Advance Tax net Provisions	2,494	-
Balance with Customs and Ports	17,622	152,796
	2,163,866	1,666,505
<b>10 CURRENT LIABILITIES</b>		
Sundry Creditors	1,408,602	1,763,503
Unpaid Dividend	126	101
Other Liabilities	1,404,285	1,173,452
	2,813,013	2,937,056
<b>11 PROVISIONS</b>		
For Taxation Net of Advance Tax	-	57,744
For Proposed Dividend	62,423	55,909
For Tax on Proposed Dividend	10,609	9,502
For Retirement Benefits	14,106	14,404
	87,138	137,559
<b>12 MISCELLANEOUS EXPENDITURE</b>		
Preliminary Expenses	-	3,177
	-	3,177

## CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009

(Rs. in 000's)

Schedule	This Year	Previous Year
<b>13 OPERATING INCOME</b>		
Multimodal Transport Operations	18,561,850	21,300,743
Container Freight Stations	1,500,282	1,454,960
Equipment Hire	547,199	385,116
	<b>20,609,331</b>	<b>23,140,819</b>
<b>14 OTHER INCOME</b>		
Interest	38,456	29,541
Profit on Sale of Assets	12,142	13,967
Profit on Sale of Investments	204,032	30,642
Dividend	9,866	30
Rent received	5,265	-
Exchange Gain/Loss	5,839	28,478
Other Income	10,215	3,708
	<b>285,815</b>	<b>106,366</b>
<b>15 MULTIMODAL TRANSPORT OPERATIONS</b>		
Operating Expenses	11,089,671	14,183,424
Claims and Compensation	-	8,145
Documentation Charges	8,610	14,253
Break Bulk Expenses	785,719	644,976
Insurance	61,161	50,570
Import Delivery Order Charges	45,096	50,598
Air Freight Expenses	31,139	43,088
Space Reservation Charges	10,223	11,360
Fuel Expenses	78,744	52,484
Vehicle Repairs	42,914	39,264
Spares Consumed	45,041	38,568
Other Expenses	239,537	243,590
	<b>12,437,855</b>	<b>15,380,320</b>
<b>16 CONTAINER FREIGHT STATIONS</b>		
Power & Fuel	88,458	89,061
Container Transportation Charges	65,054	18,266
Equipment Hire Charges	26,445	32,308
Repairs & Maintenance - Others	43,894	49,599
Rebates and Discounts	111,607	46,947
Other Expenses	122,767	129,685
	<b>458,225</b>	<b>365,866</b>
<b>17 EQUIPMENT HIRE</b>		
Spares Consumed	45,974	32,542
Fuel Expenses	24,081	14,423
Hiring Expenses	7,326	56,212
Insurance	3,033	814
Repairs & Maintenance - Others	51,184	32,967
Other Expenses	24,037	10,825
	<b>155,635</b>	<b>147,783</b>

## CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009

(Rs. in 000's)

Schedule	This Year	Previous Year
<b>18 EMPLOYEE COST</b>		
Salaries & Other Benefits	2,933,577	2,623,072
Contribution to Provident & Other Funds	338,950	310,686
Gratuity	(572)	4,444
Staff Welfare Expenses	193,701	366,514
	<b>3,465,656</b>	<b>3,304,716</b>
<b>19 ADMINISTRATIVE AND SELLING</b>		
Communication Charges	109,928	100,428
Rent, Rates & Taxes	572,922	420,807
Travelling	148,790	166,173
Electricity Charges	55,956	44,685
Repairs to:		
Building	32,165	28,446
Others	64,944	66,984
Directors Fees	3,430	865
Professional and Legal Fees	273,409	196,029
Insurance	14,728	13,402
Donations	17,121	6,211
Business Promotion	101,687	97,358
provision for Doubtful Debts	5,091	47,156
Other Expenses	462,377	526,481
Payment to Auditors	38,416	25,965
	<b>1,900,964</b>	<b>1,740,990</b>
<b>20 INTEREST</b>		
On Fixed Loans	92,408	63,946
On Bank Overdrafts	81,966	125,017
On Inter Corporate Deposits	56,762	59,134
Other Interest	499	440
	<b>231,635</b>	<b>248,537</b>
<b>21 EXCEPTIONAL ITEMS (NET OF TAX)</b>		
Capital Work in Progress Written Off	-	(4,540)
Others	(27,391)	(26,349)
Exceptional Income (Net)	(27,391)	(30,889)
Less: Provision For Tax		
Current Tax	-	(515)
Deferred Tax	-	-
MAT Credit	-	1,029
	<b>(27,391)</b>	<b>(31,403)</b>



## CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009

### Schedule 22

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

##### I. Statement of Significant Accounting Policies

###### 1. Accounting Conventions:

The financial statements are prepared in accordance with the historical cost conventions, on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India, and the accounting standards notified by Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956.

###### 2. Fixed Assets:

- 2.1 Fixed assets are recorded at cost less accumulated depreciation/amortisation.
- 2.2 Cost includes purchase price and any attributable cost of bringing the asset to its applicable use.

###### 3. Asset Impairment :

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows of the asset are discounted to their present value at an appropriate discount rate. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The amount of reversal will be limited to recording the asset at the carrying amount that would have been determined (net of depreciation) had not impairment loss been recognised for that asset in prior years.

###### 4. Depreciation:

###### A. Foreign Subsidiaries:

1. In the case of foreign subsidiaries, the tangible assets are depreciated on a straight line basis, based on rules fixed in relation to the expected economic life of these assets in the group without taking into account any residual value,

Buildings	2%-10%
Infrastructure	10%-20%
Machinery & Equipment	10%-33%
Furniture	10%-33%
Cars and Trucks	25%-33%
Data Processing material	20%-33%

2. In case of foreign subsidiaries, Intangible Assets are amortised at minimum rate of 20% a year.

###### B. Indian Companies:

1. Leasehold land is amortised equally over the period of the lease.
2. The Company and Indian subsidiaries except Hindustan Cargo Ltd. have provided depreciation on fixed assets including assets created on land and office premises under lease on straight line method at the rates provided in Schedule XIV to the Companies Act, 1956. Renewal of leases is assumed, consistent with past practice.
3. Hindustan Cargo Ltd., has provided Depreciation on fixed assets on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except in respect of Computers and other vehicles, on which depreciation is provided at 25% and 15% respectively. Leasehold Improvements are written off over the primary period of lease by the above subsidiary.
4. Fixed assets costing Rs. 5000/- or less, are fully depreciated in the year of acquisition.

###### 5. Investments:

- 5.1 Long Term Investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline other than of a temporary nature. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.
- 5.2 Current Investments are carried at lower of cost and fair value.
- 5.3 Profit/loss on sale of investments is computed with reference to their average cost.

###### 6. Inventories:

Inventories of Spares and Consumables are valued at cost or net realisable value whichever is lower. Cost includes all charges incurred for bringing inventories to their present condition and location.

###### 7. Expenditure During Construction Period :

Expenditure during construction period is included under Capital Work in Progress and the same is allocated to the respective fixed assets on completion of construction.

###### 8. Borrowing Cost :

Borrowing costs that are directly attributable to the acquisition/construction of the underlying fixed assets are capitalised as part of the respective asset upto the date of the acquisition/completion of construction.

###### 9. Revenue Recognition:

- 9.1 Multimodal Transport Income and Multimodal Transport Expenses are recognised on the basis of sailing of vessels and completion of transport as per contractual terms.
- 9.2 Income from Container Freight Stations Operations relating to export containers is accounted on accrual basis. A Container Freight Station ground rent charge on Import Stuffed Containers is accounted to the extent of recoverability from carriers of containers. Import cargo handling charges are accounted on clearance.
- 9.3 Revenue and expenses for sale of abandoned cargo are recognized when auctioned. Surplus, if any, out of auctions is credited to a separate account "Auction Surplus" and is shown under Current Liabilities. Unclaimed Auction Surplus outstanding for more than one year is written back as income in the subsequent financial year.
- 9.4 Income from Equipment Hire is recognized as per contractual terms.

###### 10. Employee's Retirement Benefit:

###### A. Foreign Subsidiaries:

1. In case of foreign subsidiaries, staff retirement benefits are provided as per local Laws.

###### B. Indian Companies:

1. Retirement benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to the Profit and Loss Account of the year when the contributions to the respective funds accrue.
2. Gratuity liability which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.
3. The expected cost of accumulated compensated absences is determined on the basis of actuarial valuation and such liability is provided in the accounts.

###### 11. Employees Stock Option Plan:

The Accounting value of stock options representing the excess of the market price over the exercise price of the options granted under "Employees Stock Options Scheme" of the Company is amortised on straight-line basis over the vesting period as "Deferred Employees Compensation" in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

**12. Taxes on Income:**

Current tax is the amount of tax payable on the assessable income for the year determined in accordance with the provisions of the applicable local tax laws. Deferred Tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognized only when there is virtual certainty of their realisation and on other items when there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rate and laws enacted or substantially enacted on the balance sheet date. Provision for Fringe Benefit Tax for the year has been determined in accordance with the provisions of section 115WC of the Income Tax Act, 1961 upto March 31, 2010. Minimum Alternate Tax (MAT) credit is recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

**13. Foreign Currency Transactions:**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the year end exchange rates. Exchange gains / losses are recognized in the profit and loss account. In the case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rates prevailing at the end of the year.

**14. Leases :**

Lease rentals in respect of operating lease arrangements are charged to Profit and Loss Account. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred. Expenditures incurred on improvements to leasehold premises are classified into Capital and Revenue. Capital expenditures are classified under Fixed assets and Revenue Expenditures are debited to Profit and Loss Account.

**15. Segment Reporting:**

The Accounting Policies adopted for segment reporting are in line with Accounting Policies of the Company. Segments Assets include all operating assets used by the business segments and consist principally of fixed assets and current assets. Segment Liabilities include the operating liabilities that result from the operating activities of the business. The assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

**II. Notes Forming Part of Accounts:**

1. Figures in rupees have been rounded off to the nearest thousands.
2. Previous year figures are regrouped wherever necessary to conform to this year's classification.
3. Principles of Consolidation

The Consolidated Financial Statements relate to Allcargo Global Logistics Limited, its subsidiary companies and Joint venture company. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies are combined on a line by line basis, and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated. The Company's interest in jointly controlled entity is reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items.
- ii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange rate difference arising on consolidation is recognised in the exchange fluctuation reserve.

- iii) The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserves as the case may be.
- iv) Minority interest's of net profit of consolidated subsidiaries for the period is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholder of the Company. Investments in Joint Venture are dealt with in accordance with Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures'.
- v) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except in the case of foreign subsidiary companies where the accounting policy regarding the rate of depreciation is not in consonance with the group accounting policy. No effect has been given in the consolidated financial statements on account of such differing accounting policy where the impact is not expected to be material.
- vi) Goodwill on consolidation is not amortized in Consolidated Financial Statements. Goodwill amortized by the Foreign Subsidiary is restated in the Consolidated Financial Statements in accordance with Group practice.

**4. Conversion of Securities issued on Preferential basis**

During March 2008, the Company had issued and allotted 1,081,081 Fully and Compulsorily Convertible Debentures (FCCD) of Rs.934 each and 1,513,514 Optionally Convertible Warrants of Rs. 10 each, convertible into equal number of equity shares of the Company on / before completion of period of 18 months from the date of their respective allotment. Accordingly, the Company had received Rs. 1,009,730 thousands on allotment of FCCDs and Rs. 293,620 thousands on allotment of Warrants in March 2008.

On September 29, 2009, 1,081,081 FCCD of Rs.934 were converted into equal number of equity shares of Rs.10 each at a premium of Rs.924 per equity share.

On October 22, 2009, 1,513,514 Warrants of 10 each were converted into equal number of equity shares of Rs.10 each at a premium of Rs.924 per equity share.

The Warrant conversion price was linked to the performance of the Company for the financial year 2008 and according to this, the Company was entitled to receive Rs.1,284 per equity share. This price was revised to Rs.934 per equity share, being the minimum price approved by the Members of the Company at their Extraordinary General Meeting held on February 19, 2008.

5. The financial statements of the subsidiaries and the joint venture, used in the consolidation are drawn upto the same date as of the Company i.e. year ended December 31, 2009.
6. We have consolidated the financial statements of Indian Companies Contech Transport Services Pvt. Ltd, Hindustan Cargo Ltd, ECU Line (India) Pvt Ltd, AGL Ports Pvt Ltd, South Asia Terminals Pvt Ltd (formerly known as AGL Projects Pvt Ltd), AGL Warehousing Pvt Ltd, AGL Terminals Pvt Ltd, Allcargo Logistics Park Pvt Ltd and foreign subsidiaries Allcargo Belgium N.V and Asia Line Ltd Dubai. In turn Asia Lines Ltd has consolidated its financials with its subsidiary ECU Heavy Lift LLC, Contech Transport Services Pvt Ltd has consolidated its subsidiary Sealand Terminals Pvt Ltd and Allcargo Belgium N.V has consolidated its financials with the following subsidiaries globally.

Sr.No.	Name of the Company	Country of incorporation	% of Holding
1	ECU International (Asia) Pvt. Ltd.	India	100
2	ECU Line Abu Dhabi LLC	Abu Dhabi	76
3	ECU Line Algeria	Algeria	100
4	Ecu Logistics SA	Argentina	51
5	Ecu-Line Australia Pty.Ltd.	Australia	60
6	ECUHOLD N.V.	Belgium	100
7	Allcargo Belgium N.V.	Belgium	100
8	Ecubro N.V.	Belgium	100

Sr.No.	Name of the Company	Country of incorporation	% of Holding
9	ECU International N.V.	Belgium	100
10	ECU-TECH BVBA	Belgium	100
11	ECU-LINE N.V.	Belgium	100
12	ECU-LOGISTICS N.V.	Belgium	100
13	AGL N.V (Formerly known as RMK N.V)	Belgium	100
14	ECU Air NV	Belgium	100
15	Ecu Global Services NV (formerly known as IPTS)	Belgium	100
16	ECU Logistics do brasil Ltda	Brazil	100
17	Flamingo Line do Brazil Ltda	Brazil	100
18	Ecu Line Bulgaria EOOD	Bulgaria	100
19	ECU-Line Canada Inc.	Canada	50
20	ECU Line Chile S.A.	Chile	100
21	Container Freight Station S.A.	Chile	50
22	Flamingo Line Chile S.A	Chile	100
23	ECU Line Guangzhou Ltd	China	60
24	ECU Line De Columbia S.A.	Columbia	100
25	Coneclí International S.A	Costarica	100
26	ECU Line Middleeast LLC	Dubai	86
27	Euro Centre - Dubai	Dubai	86
28	ECU Line Del Ecuador S.A.	Ecuador	100
29	Flamingo Line Ecuador	Ecuador	100
30	ECU Line Egypt Ltd	Egypt	100
31	Flamingo Line El Salvador SA de CV	El Salvador	66.67
32	ECU-Line (Germany) GmbH	Germany	100
33	ELWA (GH) Ltd.	Ghana	100
34	ECU Line Guatemala	Guatemala	66.67
35	ECU-Line Hong Kong Ltd.	Hong Kong	60
36	ECU International Far East Ltd	Hong Kong	100
37	ECU Line Italia srl	Italy	100
38	ECU Line Italy TRC srl	Italy	100
39	ECU Line Cote d'Ivoire Sarl	Ivory Coast	100
40	ECU Line Japan Ltd.	Japan	65
41	ECU Line Jordan	Jordan	100
42	ECU Line Kenya Ltd	Kenya	82
43	Ecu Shipping Logistic (K) Ltd	Kenya	99.90
44	ECU Line Malaysia ECU-Line (JB) SDN BHD	Malaysia	85
45	ECU-Line Malta Ltd.	Malta	100
46	ECU-Line (Indian Ocean Islands) Ltd.	Mauritius	90
47	AMI Ventures Ltd	Mauritius	100

Sr.No.	Name of the Company	Country of incorporation	% of Holding
48	ECU Line Mediterranean Ltd	Mediterranean	55
49	CELM Logistics S.A. De C.V.	Mexico	100
50	Ecu Logistics de Mexico SA de CV	Mexico	100
51	ECU Line Maroc S.A.	Morocco	100
52	ECU LINE Rotterdam	Netherland	100
53	ECU Line New Zealand Ltd.	New Zealand	60
54	ECU-Line de Panama S.A.	Panama	100
55	ECU-Line Paraguay S.A.	Paraguay	100
56	ECU-Line Peru S.A.	Peru	70
57	Flamingo Line Peru S.A	Peru	70
58	ECU Line Philippines Inc.	Philippines	100
59	ECU-Line Polska Sp. z.o.o. UL	Poland	100
60	ECU Line Doha W.L.L.	Qatar	100
61	ECU-Line Romania SRL	Romania	100
62	Rotterdam Freight Station BV	Rotterdam	100
63	ECU Line Singapore Pte. Ltd.	Singapore	100
64	ECU LINE SA (Pty.) Ltd.	South Africa	100
65	ECU Line Spain S.L.Barcelona	Spain	100
66	Mediterranean Cargo Centers S.L. (MCC)	Spain	80
67	ECU Line (Thailand) Co.Ltd	Thailand	57
68	ECU Line Tunisie sarl	Tunesia	100
69	ECU Line Turkey	Turkey	100
70	ECU-Line UK Ltd.	United Kingdom	100
71	ECU-Line Uruguay (Deolix SA)	Uruguay	100
72	DLC	Uruguay	100
73	ELV Multimodal C.A.	Venezuela	100
74	Venezuela - AHL	Venezuela	100
75	Consolidadora Ecu Line CA	Venezuela	100
76	Ecu Line Vietnam	Vietnam	51
77	Ecurocentre Milan SRL	Italy	100
78	Ecu Line Switzerland GmbH	Switzerland	51
79	GULDARY s.a.	Uruguay	100

7. Interests in Joint Ventures

The Group's interests, in jointly controlled entities (incorporated joint ventures) are :

Name of the Company	Country of incorporation	% of Ownership Interest	
		As at 31st December 2009	As at 31st December 2008
Sealand Warehousing Pvt Ltd	India	50%	50%



8. As the operation of ECU Line China Ltd and Ecu Line Zimbabwe (Pty.) Ltd. was not material in relation to the size of the consolidated operations, the financial statements of the subsidiaries did not form part of the consolidated financial statements. As the subsidiaries Scanca Norway, Scanca Sweden, Scanca Finland, D&E trans and ECU Trans are under liquidation process, the financial statement of subsidiaries did not form part of consolidated financial statements.
9. The financial statements of some Joint Ventures and Associates are not considered in the consolidated financial statements as their state of affairs as at the year end and results of operation for the period are not material in relation to the consolidated financial statements.
10. The accounting policies of certain subsidiaries especially regarding the rate of depreciation, amortisation of intangible assets and accounting for retirement benefits are not in consonance with the group accounting policies. No effect has been given in the consolidated financial statements on account of such differing accounting policies, where the impact is not expected to be material.
11. The Company has purchased Equity stake from Minority Shareholders of certain subsidiaries during the year and incurred Goodwill of Rs. 106,527 thousand. In the Group Consolidated Statement, Goodwill written off of Rs. 99,969 thousand is reversed according to the Group practice.
12. **Contingent Liabilities not provided for :**
- A. Foreign Subsidiaries:
- Bank Guarantees issued to Customs, Ministry of Transport and other parties is Rs.176,469 thousand for the period ended December 31, 2009 (PY Rs 194,013 thousand)
  - Suit filed against the Company towards operational claims is Rs 35,000 thousand for the period ended December 31, 2009 (PY Rs 35,000 thousand)
  - Income tax demand against which the Company has preferred appeal/rectification is for Rs. 11,810 thousand for the period ended December 31, 2009 (PY Rs 11,810 thousand)
  - Suit filed against the Company by ex-employees is for Rs.52,424 thousand (PY Rs Nil)
- B. Indian subsidiaries:
- Counter Guarantees to Banks against guarantees issued by them is Rs. 470,129 thousand (PY Rs 349,275 thousand)
  - Continuity Bond executed in favour of The President of India through the Commissioner of Customs is Rs. 3,295,000 thousand. (PY Rs. 3,245,000 thousand)
  - Guarantees issued to Bankers in respect of Nepal Intermodal Transport Development Board equivalent to is Rs. 6,636 thousand (PY Rs 6,998 thousand)
  - Guarantees issued to Bankers and outstanding in respect of Allcargo Belgium NV and ECU International NV equivalent to Rs 458,160 thousands and Rs 332,000 thousand respectively (PY Rs 469,855 thousands and Rs 340,475 thousands respectively)
  - Custom Duty payable on Import of equipment under EPCG Scheme if the Company is not able to fulfill its Export Obligation, Rs. Nil (PY Rs 52,957 thousand)
  - Suits filed against the Company towards operational claims Rs.34,013 thousand (PY Rs 30,338 thousand).
  - Income Tax demand for the AY 2003-04 upto AY 2009-10 against which the Company has preferred an appeal is Rs. 650,000 thousand (PY Rs 4,932 thousand) after setting off the net Advance Tax of Rs 52,641 thousands.
13. In the opinion of the management and to the best of its knowledge and belief, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

14. **Segment Reporting**

- (a) Information about Business Segments (Information provided in respect of revenue items for the year ended December 31,2009 and in respect of assets /liabilities as at December 31,2009).

(Rs. in 000's)

Particulars	Multimodal Transport Operations		Container Freight Station		Equipment Division		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
<b>Revenue</b>								
External	18,561,850	21,300,743	1,500,282	1,454,960	547,199	385,116	20,609,331	23,140,817
Add : Inter Segment Revenue	45,804	45,349	31,276	27,047	91,742	109,797	169,272	182,193
Total Revenue	18,607,654	21,346,092	1,532,008	1,482,007	638,941	494,913	20,778,603	23,323,730
<b>Result</b>								
<b>Segment Result Before Interest and Tax</b>	989,127	1,082,773	786,597	831,230	165,901	184,369	1,941,625	2,098,372
Interest Expense							(231,635)	(248,537)
Unallocated Income net of Unallocated Expenses							(15,405)	(241,163)
<b>Profit Before Tax and Exceptional Item</b>							1,694,585	1,608,672
Taxes							(260,373)	357,323
<b>Profit After Tax And Before Exceptional Item</b>							1,434,212	1,251,349
Add: Exceptional Items (net of tax)							(27,391)	(31,403)
<b>Profit After Tax</b>							1,406,821	1,219,946
Segment Assets	8,765,981	7,281,167	1,981,101	1,815,611	1,904,280	1,417,787	12,651,361	10,514,565
Unallocated Assets							2,418,146	2,355,143
Total Assets							15,069,507	12,869,708
Segment Liabilities	2,660,381	4,061,463	100,172	72,027	139,598	54,556	2,900,151	4,188,046
Unallocated Liabilities							2,223,632	2,453,372
Total Liabilities							5,123,783	6,641,418

**Secondary Segment-Geographical**

Country/Region	This Year		Previous Year	
	Segment Revenue	Segment Assets	Segment Revenue	Segment Assets
India	5,608,507	7,178,328	6,406,940	4,880,569
Africa	425,907	77,417	352,301	33,808
America	3,024,133	544,967	3,731,211	632,478
Far East	3,623,774	751,894	3,731,139	762,398
Australia & New Zealand	448,322	67,771	547,136	59,683
Europe	6,438,389	3,760,869	6,960,970	3,553,969
Mediterranean	1,040,299	270,115	1,411,120	591,660
<b>Total</b>	<b>20,609,331</b>	<b>12,651,361</b>	<b>23,140,817</b>	<b>10,514,565</b>

15. RELATED PARTY DISCLOSURES

List of Related Parties and Relationships

- (A) Relationships:
- 1) Joint Venture Company : Transworld Logistics & Shipping Services Inc U.S.A
  - 2) Associate Companies : Transnepal Freight Services Pvt Ltd
  - 3) Key Management Personnel :
    - 1) Mr. Shashi Kiran Shetty
    - 2) Mrs. Arathi Shetty
    - 3) Mr. Adarsh Hedge
  - 4) Relatives of Key Management Personnel
    - 1) Mr. Umesh Shetty
    - 2) Mrs. Shobha Shetty
  - 5) Enterprises owned or significantly influenced : Allcargo Shipping Services (P) Ltd.  
by its key management personnel or their relatives. Avadh Marketing (P) Ltd.  
N. R. Holdings (P) Ltd.  
Trans India Freight (P) Ltd.  
Allcargo Movers (Bombay) (P) Ltd.  
Allnet Infotech (P) Ltd.  
Prominent Estate Holdings (P) Ltd.  
Trans India Freight Services (P) Ltd.  
Jupiter Machines (P) Ltd.  
Sealand Cranes (P) Ltd.  
Contech Estate (P) Ltd.

(B) Transactions with Related Parties:

(Rs. in 000's)

Sr. No	Transactions	Joint Venture Company	Associate Companies	Key Management Personnel	Relatives of key Management Personnel	Enterprises Owned or Significantly Influenced by its key Management Personnel or their relatives
1	MTO Income	2,032	-	-	-	-
2	Rent Paid	-	-	11,793	-	29,418
3	Remuneration to Directors	-	-	65,104	-	-
4	Salary Paid	-	-	-	22,002	-
5	Car Hire charges	-	-	-	-	600
6	MTO Operation Expenses	4,828	-	-	-	-
7	Deposits received back	-	-	85,718	-	-
8	Outstanding payables	-	-	-	-	369
9	Outstanding receivables	2,683	197	60,000	-	71,717
10	Advance / Deposit Paid	-	436	-	-	27,920
11	Leasehold Land Premium Paid	-	-	345,725	-	-
12	Professional fees	-	-	-	720	-
13	Loans and advances received back	-	45	-	-	37,521

16. Estimated amount of Contract remaining to be executed on capital account and not provided for is Rs.84,423 thousand (PY Rs. 71,094 thousands).

17. Disclosure For Lease

A. Foreign Subsidiaries

Company's lease agreements are mainly in respect of operating leases taken for office premises, warehouses, office equipment and vehicles. Lease payments recognized in the Profit and Loss Account are Rs.96,954 thousand (Previous year – Rs. 113,349 thousand).

B. Indian companies

Company's lease agreements are mainly in respect of operating leases taken for offices, residential premises and warehouses. The lease agreements are for a period ranging from eleven months to nine years. The lease agreements are cancellable at the option of either party by giving one month to six month's notice. The Company has given refundable interest free security deposits for certain agreements. Certain agreements provide for increase in lease rent. Some of the agreements provide for renewal of lease by mutual consent. Lease payments recognized in the Profit and Loss Account are Rs. 61,018 thousand (PY Rs. 129,486 thousands)

18. Employees Stock Option Plan

In 2006, the Company had instituted an Employee Stock Option Plan (ESOP 2006) to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company. The Company granted stock options to be adjusted for the subsequent bonus issue prior to its Initial Public Offering of equity shares, to its permanent employees and to few of the permanent employees of its foreign subsidiaries at varying numbers depending upon their grades.

The following table sets forth the particulars of stock options granted under Allcargo ESOP-2006 as on December 31, 2009:

	This Year			Previous Year		
	No. of Options		Wt.	No. of Options		Wt.
	Series I (Pre - Listing)	Series II (Post - Listing)	Average Exercise Price	Series I (Pre - Listing)	Series II (Post - Listing)	Average Exercise Price
Options outstanding at the beginning of the year (Rs 2 per share for current year; Rs 10 per share for previous year)	84,230	52,500	2	22600	13,000	10
Add : Options granted during the year	-	-	-	-	-	-
Less : Exercised	16,355	Nil	2	2,977	-	10
Less : Forfeited / Expired	1,210	Nil	2	2,777	2,500	10
Options outstanding at the year end (Rs 2 per share for current year; Rs 10 per share for previous year)	66,665	52,500	2	16,846	10,500	10
Option exercisable at year end	39,855	36,750	-	4,744	3,675	-
Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earning Per Share	Rs. 8.53 (Face Value Rs 2 per equity share)	Rs. 8.53 (Face Value Rs 2 per equity share)	-	40.16 (Face Value Rs 10 per equity share)	40.16 (Face Value Rs 10 per equity share)	-
Difference, if any, between the employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost recognized if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company.	The Company has charged a sum of Rs. 786 thousand being the fair value of options granted under ESOP 2006 (Series I) for the year ended Dec. 31, 2009.	The Company has charged a sum of Rs. 1,711 thousand being the fair value of options granted under ESOP 2006 (Series II) for the year ended Dec. 31, 2009.		The Company has charged a sum of Rs. 1,556 thousand being the fair value of options granted under ESOP 2006 (Series I) for the year ended Dec. 31, 2008.	The Company has charged a sum of Rs. 1,645 thousand being the fair value of options granted under ESOP 2006 (Series II) for the year ended Dec. 31, 2008.	
Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable	Not Applicable		Not Applicable	Not Applicable	

19. Computation of Deferred Tax is as follows:

(Rs. in 000's)

	This Year	Previous Year
Deferred Tax Liability:		
Difference in Block of Assets	284,416	205,214
Deferred Tax Assets:		
Fiscal and other disallowance	105,084	78,056
Deferred Tax Liability / (Asset) - Net	179,332	127,158

20. Earnings Per Share:

(Rs. in 000's)

	This Year	Previous Year
a) Net Profit Available for Equity Shareholders Before Exceptional Items	1,299,492	1,104,228
b) Net Profit Available for Equity Shareholders after Exceptional Items	1,326,584	1,072,824
c) Potential Increase in Earning upon Dilution	NIL	52,250
d) Weighted Average no. of Equity Shares		
Basic	114,698,720	22,362,178
Potential equity shares due to conversion of debentures	NIL	827,056
Potential equity shares due to issue of share warrants	NIL	1,157,880
Potential equity shares under ESOP	134,365	31,221
Diluted	114,833,085	24,378,335
e) Paid up Value Per Share	2/-	10/-
f) Earnings Per Share Before Exceptional Items (Rs.)		
Basic	11.57	49.38
Diluted	11.55	47.43
g) Earnings per share after exceptional items (Rs.)		
Basic	11.33	47.38
Diluted	11.32	46.14

FINANCIAL HIGHLIGHTS OF SUBSIDIARIES

(Rs.in'000)

No.	Name of the Company	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Tax	Proposed Dividend
1	Hindustan Cargo Ltd	2,500.00	78,160.65	149,918.58	149,918.58	-	1,109,119.89	22,472.26	1,987.05	20,485.21	-
2	Contech Transport Services Pvt. Ltd.	1,300.00	11,319.45	12,666.06	12,666.06	1,500.00	8,829.43	(170.00)	(38.95)	(131.05)	-
3	Sealand Terminals Pvt.Ltd.	100.00	123,673.83	202,815.26	202,815.26	178,779.78	192,495.92	154,716.03	31,000.00	123,716.03	-
4	ECU Line (India) Private Limited	100.00	(62.69)	66.35	66.35	-	-	(0.26)	-	(0.26)	-
5	AGL Ports Private Ltd.	100.00	(74.12)	156.85	156.85	-	-	(0.29)	-	(0.29)	-
6	South Asia Terminals Pvt.Ltd. (Formerly known as AGL Projects Pvt Ltd)	65,250.00	(19,472.21)	183,505.49	183,505.49	-	24,002.12	(17,244.13)	2,180.84	(19,424.97)	-
7	AGL Terminals Private Ltd.	100.00	(435.07)	196.41	196.41	-	-	(119.09)	-	(119.09)	-
8	AGL Warehousing Private Ltd.	100.00	(79.79)	90,151.18	90,151.18	-	-	(34.20)	-	(34.20)	-
9	Allcargo Logistics Park Pvt. Ltd.	23,166.67	-	23,170.47	23,170.47	-	-	2,762.30	-	2,762.30	-
10	ECU International (Asia) Pvt. Ltd.	519	1,939	2,483	2,483	2,377	108.81	70.93	-	70.93	-
11	ECU Line Abu Dhabi LLC	1,892	12,433	15,357	15,357	-	38,453.18	7,830.66	-	7,830.66	-
12	ECU Line Algeria	657	4,461	22,452	22,452	-	51,784.91	6,218.96	1,607.12	4,611.84	-
13	Ecu Logistics SA	194	7,082	20,027	20,027	-	92,757.59	9,063.24	2,991.07	6,072.17	-
14	Ecu-Line Australia Pty.Ltd.	4,137	7,774	64,081	64,081	-	474,832.41	28,819.98	8,646.00	20,173.99	11,561.00
15	ECUHOLD N.V.	208,448	216,235	1,306,726	1,306,726	1,370	39,283.12	10,250.08	1,251.55	8,998.53	-
16	Allcargo Belgium N.V.	763,600	(6,066)	1,604,216	1,604,216	-	58,564.68	21,816.93	637.47	21,179.46	-
17	Ecubro N.V.	5,186	(12,414)	16,677	16,677	-	2,786.26	(161.66)	0.85	(162.51)	-
18	ECU International N.V.	4,117	(75,715)	1,103,617	1,103,617	-	458,882.62	(18,549.28)	3,723.65	(22,272.94)	-
19	ECU-TECH BVBA	1,235	(5,400)	29,953	29,953	-	94,595.40	(5,000.65)	(1,446.22)	(3,554.44)	-
20	ECU-LINE N.V.	82,336	109,820	854,558	854,558	1,029	3,932,346.13	7,139.12	4,819.07	2,320.06	-
21	ECU-LOGISTICS N.V.	45,683	(16,878)	289,965	289,965	-	578,851.35	(7,180.56)	52.52	(7,233.08)	-
22	ECU-TRANS N.V.	-	-	-	-	-	-	-	-	-	-
23	D & E Transport NV	-	-	-	-	-	-	-	-	-	-
24	AGL N.V (Formerly known as RMK N.V)	2,177,734	(56,311)	2,140,179	2,140,179	-	-	(6,486.50)	4,825.67	(11,312.17)	-
25	ECU Air NV	26,560	(10,969)	75,272	75,272	-	396,066.74	(2,250.85)	2.21	(2,253.05)	-
26	Ecu Global Services NV (formerly known as IPTS)	161,176	(160,191)	2,688	2,688	-	255.75	(706.34)	0.16	(706.49)	-
27	ECU Logistics do brasil Ltda	1,456	(101,419)	13,575	13,575	-	87,606.21	2,171.21	364.76	1,806.45	-
28	Flamingo Line do Brazil Ltda	1,336	(25,493)	526	526	-	314.98	(389.11)	-	(389.11)	-
29	Ecu Line Bulgaria EOOD	170	(421)	1,354	1,354	-	3,065.22	(229.69)	-	(229.69)	-
30	ECU-Line Canada Inc.	4	6,179	74,782	74,782	-	549,480.45	(6,071.04)	(1,477.48)	(4,593.56)	-
31	ECU Line Chile S.A.	2,781	22,824	86,413	86,413	-	354,254.09	14,947.40	2,611.70	12,335.70	-
32	Container Freight Station S.A.	2,857	2,368	25,152	25,152	-	90,801.43	3,128.03	659.76	2,468.27	-
33	Flamingo Line Chile S.A	927	194	1,733	1,733	-	11,509.37	(657.07)	16.43	(673.50)	-
34	ECU Line Guangzhou Ltd	41,020	3,435	64,802	64,802	-	169,232.38	1,275.00	556.34	718.66	-
35	ECU Line De Columbia S.A.	8,428	1,598	15,224	15,224	-	73,819.39	1,571.74	744.73	827.01	-
36	Conecli International S.A.	2	(657)	10,588	10,588	-	45,967.92	3,970.11	-	3,970.11	-
37	ECU Line Middleeast LLC	3,785	175,225	235,233	235,233	-	680,670.15	70,013.41	-	70,013.41	-
38	Euro Centre - Dubai	16,401	46,770	63,446	63,446	-	24,039.47	10,665.11	-	10,665.11	-
39	Asia Lines Ltd.	11,155.89	2,256.37	18,176.80	18,176.80	97.40	203,938.28	3,394.18	-	3,394.18	-
40	ECU Heavy Lift, W.L.L.	203.78	(2,639.98)	(280.16)	(280.16)	-	1,195.39	(2,410.48)	-	(2,410.48)	-
41	ECU Line Del Ecuador S.A.	463	(446)	9,665	9,665	-	94,357.50	(460.43)	0.29	(460.72)	-
42	Flamingo Line Ecuador	185	(318)	781	781	-	6,962.21	(20.05)	0.98	(21.03)	-
43	ECU Line Egypt Ltd	850	3,860	20,279	20,279	-	101,625.63	12,891.50	2,578.30	10,313.20	10,664.53
44	Flamingo Line El Salvador SA de CV	635	(162)	1,239	1,239	-	6,389.87	(190.23)	-	(190.23)	-
45	ECU-Line (Germany) GmbH	62,130	3,080	153,340	153,340	-	871,292.04	(7,961.28)	-	(7,961.28)	-
46	ELWA (GH) Ltd.	89	683	3,939	3,939	-	23,646.19	(281.77)	-	(281.77)	-
47	ECU Line Guatemala	28	(1,462)	3,701	3,701	-	50,088.30	(1,533.45)	-	(1,533.45)	-
48	ECU-Line Hong Kong Ltd.	8,962	18,079	142,770	142,770	-	642,363.70	19,267.83	3,375.96	15,891.87	-



FINANCIAL HIGHLIGHTS OF SUBSIDIARIES

(Rs.in'000)

No.	Name of the Company	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Tax	Proposed Dividend
49	ECU International Far East Ltd	60	11,004	83,066	83,066	-	113,476.29	3,868.63	677.01	3,191.62	-
50	ECU Line Italia srl	3,984	2,518	207,459	207,459	-	729,744.45	4,440.65	3,682.90	757.75	-
51	ECU Line Italy TRC srl	3,652	(8,218)	2,266	2,266	-	-	(802.28)	(194.71)	(607.57)	-
52	ECU Line Cote d'Ivoire Sarl	8,601	(9,064)	10,881	10,881	-	49,907.86	(963.70)	206.82	(1,170.52)	-
53	ECU Line Japan Ltd.	15,069	(59,487)	72,947	72,947	-	866,660.22	12,327.63	295.59	12,032.04	-
54	ECU Line Jordan	1,976	5,349	17,062	17,062	-	109,971.76	859.52	221.76	637.76	-
55	ECU Line Kenya Ltd	2,556	13,078	42,780	42,780	-	133,990.91	3,017.92	956.64	2,061.28	-
56	Ecu Shipping Logistic (K) Ltd	639	57	779	779	-	341.64	127.91	38.37	89.54	-
57	ECU Line Malaysia ECU-Line (JB) SDN BHD	2,706	18,487	41,807	41,807	-	178,170.65	7,093.36	1,395.55	5,697.81	2,783.51
58	ECU-Line Malta Ltd.	773	329	1,349	1,349	-	4,567.73	32.49	-	32.49	-
59	aECU-Line (Indian Ocean Islands) Ltd.	1,070	1,786	7,488	7,488	-	25,574.17	2,459.57	402.92	2,056.65	-
60	AMI Ventures Ltd	46	107,212	107,472	107,472	-	9,737.27	(17,062.28)	632.38	(17,694.66)	-
61	ECU Line Mediterranean Ltd	568	53	5,192	5,192	-	56,562.32	36.04	28.78	7.26	-
62	CELM Logistics S.A. De C.V.	178	(9,355)	35,980	35,980	-	72,881.55	(5,239.61)	(436.36)	(4,803.25)	-
63	Ecu Logistics de Mexico SA de CV	178	5,106	46,057	46,057	-	245,950.33	2,602.60	1,407.87	1,194.74	-
64	ECU Line Maroc S.A.	2,071	13,842	70,512	70,512	-	233,269.95	18,032.14	5,533.20	12,498.93	-
65	ECU LINE Rotterdam	56,706	(36,062)	59,226	59,226	-	417,694.27	(15,512.24)	-	(15,512.24)	-
66	ECU Line New Zealand Ltd.	3	4,627	18,068	18,068	-	113,111.29	2,938.23	866.81	2,071.42	-
67	ECU-Line de Panama S.A.	1,158	(6,099)	21,037	21,037	-	106,266.10	(4,498.71)	0.00	(4,498.71)	-
68	ECU-Line Paraguay S.A.	502	(328)	1,137	1,137	-	7,356.55	(632.44)	8.50	(640.95)	-
69	ECU-Line Peru S.A.	816	997	36,207	36,207	-	243,746.38	10,076.11	4,304.85	5,771.25	4,922.65
70	Flamingo Line Peru S.A	555	1,166	3,258	3,258	-	7,277.67	1,557.45	483.08	1,074.36	-
71	ECU Line Philippines Inc.	10,040	2,659	35,892	35,892	-	109,748.53	2,504.03	938.10	1,565.93	-
72	ECU-Line Polska Sp. z.o.o. UL	804	(1,166)	12,980	12,980	-	93,551.23	(1,905.06)	171.17	(2,076.23)	-
73	ECU Line Doha W.L.L.	2,546	8,449	18,911	18,911	-	56,847.71	3,695.14	109.03	3,586.11	-
74	ECU-Line Romania SRL	83	2,688	15,482	15,482	-	65,614.27	491.01	131.22	359.79	-
75	Rotterdam Freight Station BV	1,195	(2,945)	11,679	11,679	-	111,370.49	(1,375.77)	-	(1,375.77)	-
76	ECU Line Singapore Pte. Ltd.	8,244	23,662	139,666	139,666	-	735,348.09	28,508.06	4,372.45	24,135.61	37,422.49
77	ECU LINE SA (Pty.) Ltd.	1	11,861	46,839	46,839	-	400,571.58	25,051.63	10,244.35	14,807.28	2,759.83
78	ECU Line Spain S.L.Barcelona	8,101	13,959	75,622	75,622	-	413,884.23	3,470.18	979.88	2,490.30	-
79	Mediterranean Cargo Centers S.L. (MCC)	7,968	(34,227)	14,249	14,249	-	54,924.62	(6,906.28)	-	(6,906.28)	-
80	ECU Line (Thailand) Co.Ltd	6,965	21,876	74,195	74,195	-	430,655.15	7,951.85	2,578.64	5,373.21	10,043.73
81	ECU Line Tunisie sarl	3,535	(14,003)	36,172	36,172	-	86,358.45	(6,353.93)	68.59	(6,422.52)	-
82	ECU Line Turkey	6,883	109	47,581	47,581	-	221,041.83	2,651.92	-	2,651.92	-
83	ECU-Line UK Ltd.	51,661	5,478	121,910	121,910	-	453,250.78	2,927.75	1,076.92	1,850.83	-
84	ECU-Line Uruguay (Deolix SA)	2,426	1,699	6,377	6,377	-	33,046.24	1,643.08	332.87	1,310.21	-
85	CLD (Compania Logistica de Distribucion SA)	134,863	48,315	184,529	184,529	-	-	1,260.49	-	1,260.49	18,289.25
86	ELV Multimodal C.A.	519	39,201	48,988	48,988	-	81,611.31	7,392.16	57.93	7,334.23	-
87	Venezuela - AHL	22	6,002	9,228	9,228	-	4,393.91	4,176.23	1,937.69	2,238.54	-
88	Consolidadora Ecu Line CA	9	-	9	9	-	-	-	-	-	-
89	Ecu Line Vietnam	4,027	8,054	29,990	29,990	-	144,431.48	11,852.99	899.07	10,953.93	-
90	ECU Line Zimbabwe (Pty.) Ltd.	-	-	-	-	-	-	-	-	-	-
91	Ecu Line China Ltd	-	-	-	-	-	-	-	-	-	-
92	Eurocentre Milan SRL	664	6,678	25,859	25,859	-	42,078.98	10,343.70	3,501.05	6,842.65	-
93	Ecu Line Switzerland GmBH	2,232	60	23,443	23,443	-	113,276.71	60.97	-	60.97	-
94	GULDARY s.a.	243	63,485	161,034	161,034	-	530,582.02	(17,277.70)	-	(17,277.70)	-

Allcargo Top Management Team

