



Poised to Achieve the Billion Dollar Revenue Milestone

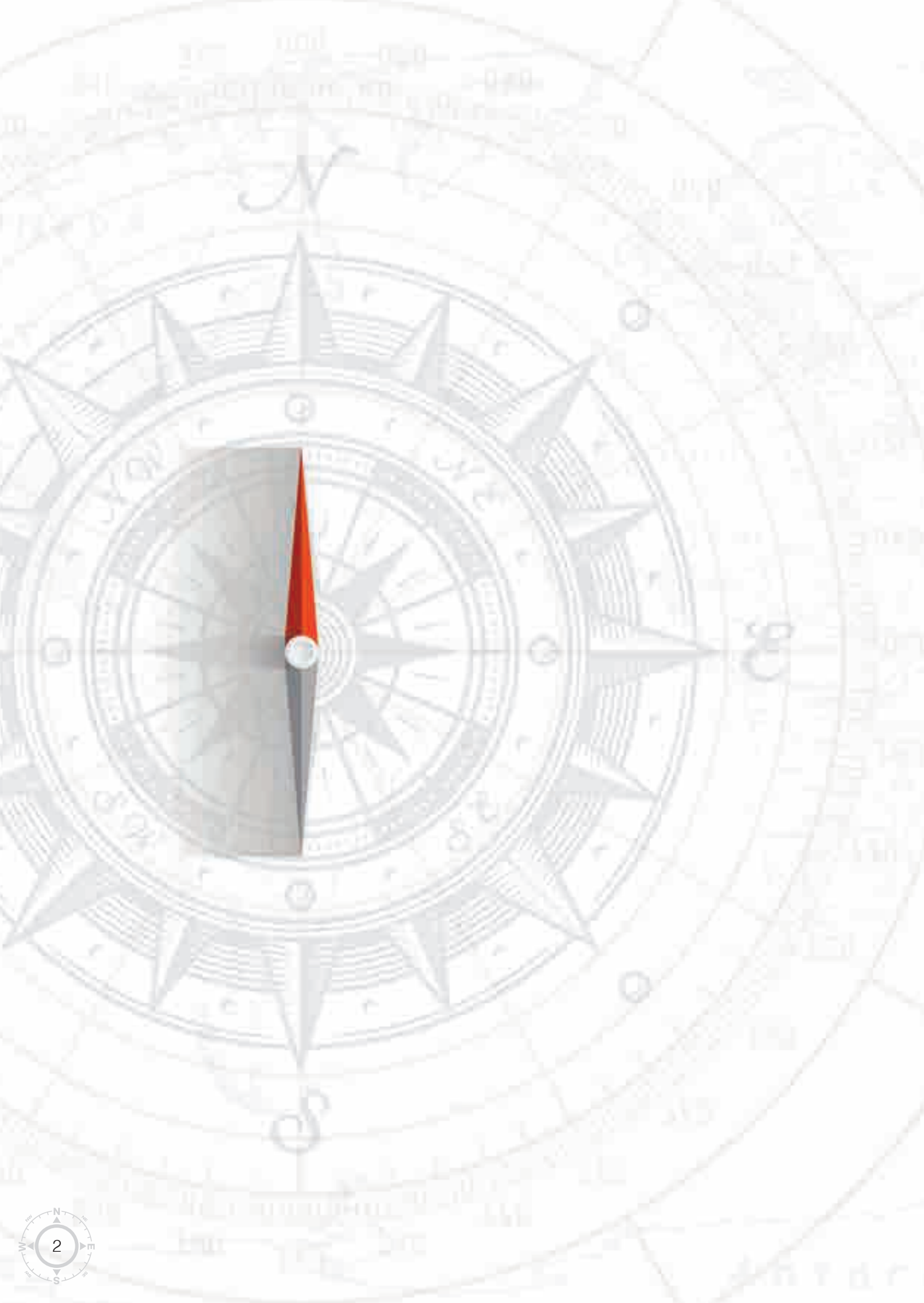


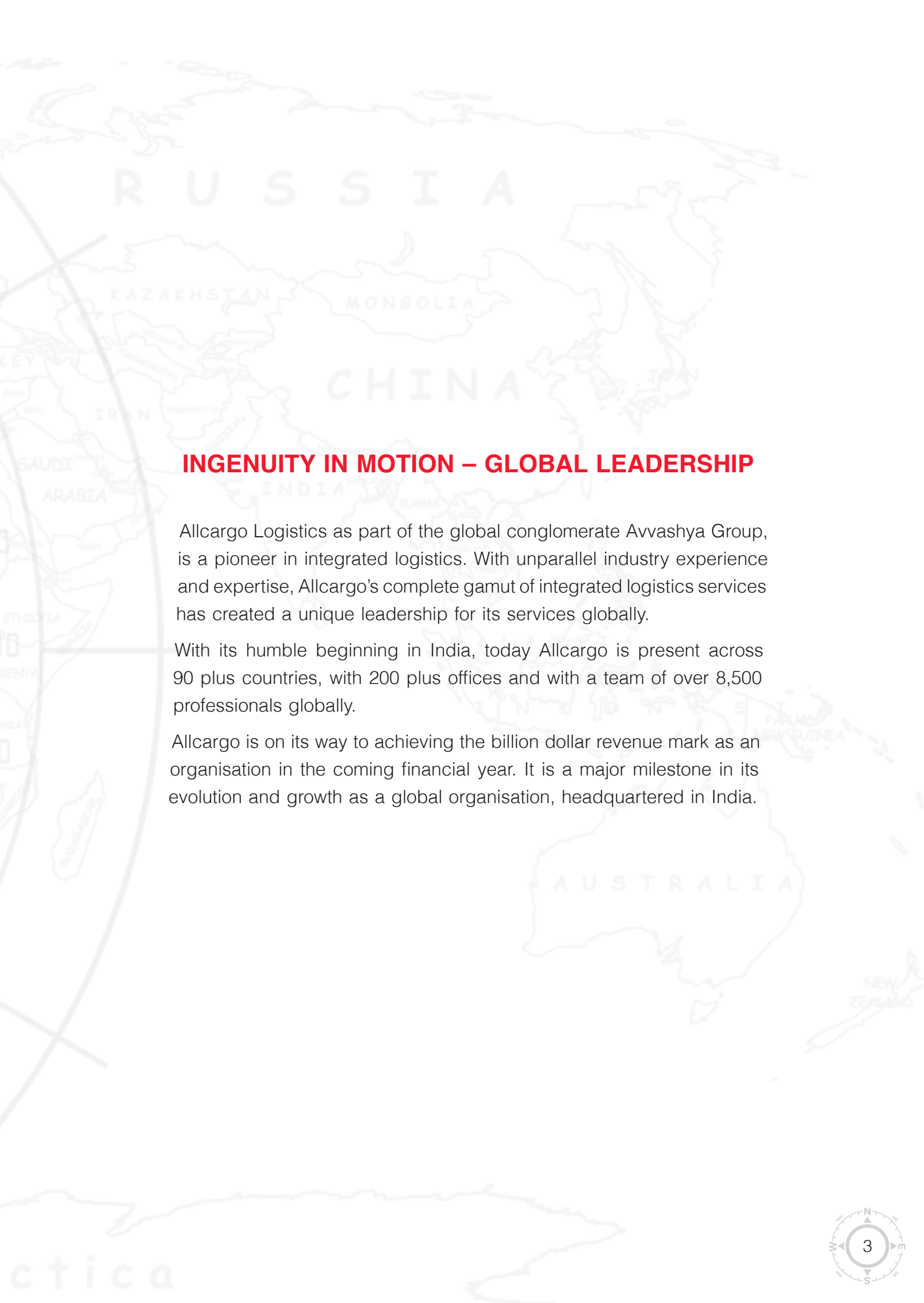
90+ Countries

200+ Offices Globally

8500+ Professionals





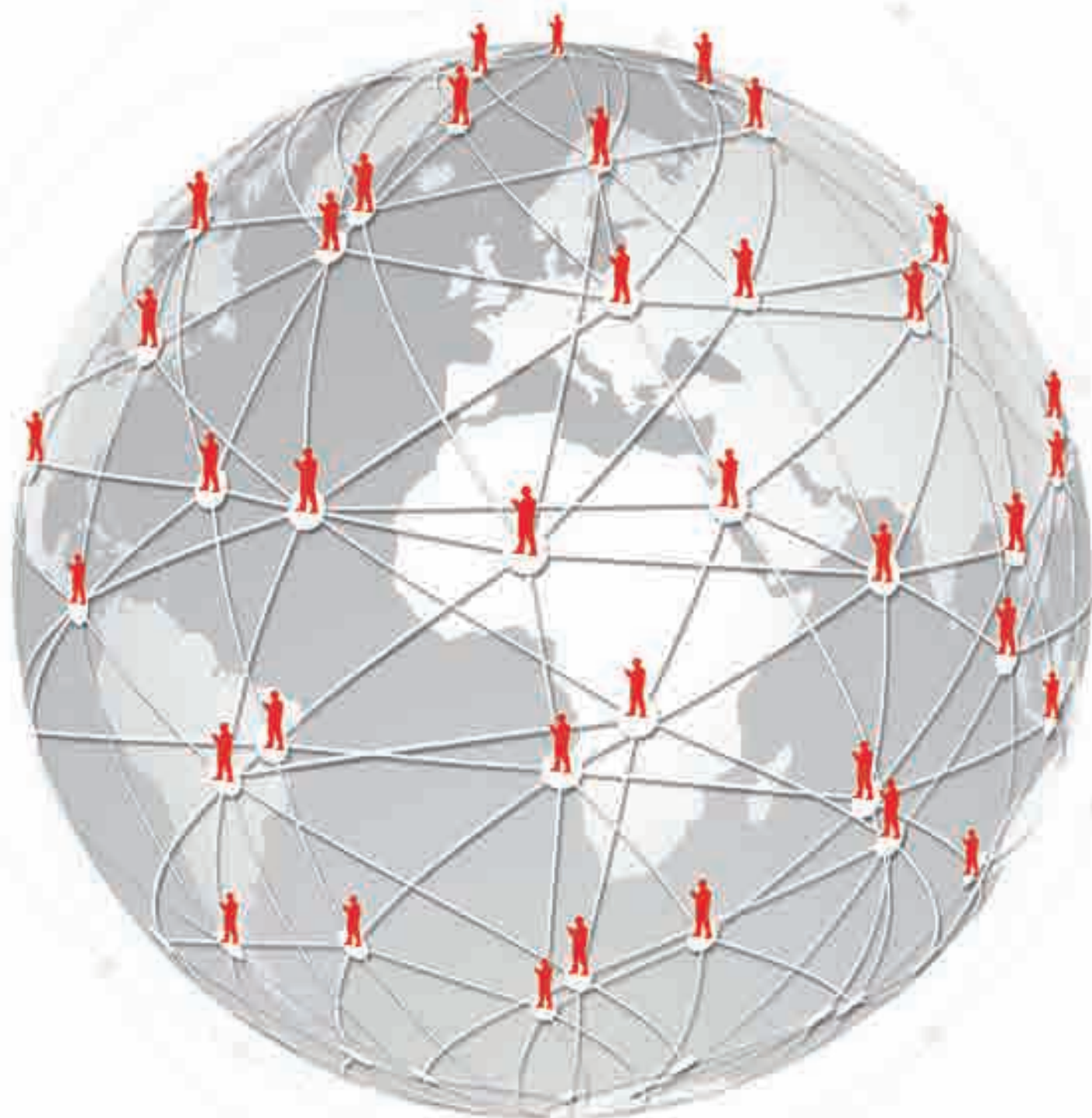


INGENUITY IN MOTION – GLOBAL LEADERSHIP

Allcargo Logistics as part of the global conglomerate Avvashya Group, is a pioneer in integrated logistics. With unparalleled industry experience and expertise, Allcargo's complete gamut of integrated logistics services has created a unique leadership for its services globally.

With its humble beginning in India, today Allcargo is present across 90 plus countries, with 200 plus offices and with a team of over 8,500 professionals globally.

Allcargo is on its way to achieving the billion dollar revenue mark as an organisation in the coming financial year. It is a major milestone in its evolution and growth as a global organisation, headquartered in India.





CONTENTS

Chairman's Message	7
Our Business	10
Our Management Team	20
Corporate Information	22
Board of Directors	23
Corporate Social Responsibility	24
Our Performance	28
Director's Report	30
Report on Corporate Governance	44
Management Discussion and Analysis	68
Auditor's Report on Standalone Financial Statements	75
Standalone Balance Sheet	80
Standalone Profit and Loss Account	81
Standalone Cash Flow Statement	82
Notes to the Standalone Financial Statements	84
Auditor's Report on Consolidated Financial Statements	128
Consolidated Balance Sheet	130
Consolidated Profit and Loss Account	131
Consolidated Cash Flow Statement	132
Notes to the Consolidated Financial Statements	134
Financial Highlights of Subsidiaries	178



 THE AVVASHYA GROUP

MR. SHASHI KIRAN SHETTY
Chairman & Managing Director



CHAIRMAN'S MESSAGE

Dear Shareowners,

It gives me great pleasure to share with you the highlights of our Company's performance for the financial year ended March 31, 2014.

Over the last five years Allcargo has grown at a staggering pace in the logistics domain. We have emerged as the pioneers and leaders in the integrated logistics solutions space in India and the global leader in LCL consolidation, well on our way to becoming the first billion dollar integrated logistics multinational, headquartered in India.

Our growth over these years has been both organic and inorganic. In the last year, we added two more companies to our global family – Econocaribe, one of the leading LCL consolidators in the US and FCL Marine in Europe, consolidating our global leadership. This inorganic growth through these acquisitions has enhanced our global network and expertise, not only in India but on the global logistics landscape as well.

We have also invested in world class infrastructure of CFS and ICDs in all six facilities pan India to complement our comprehensive international network.

As one of India's largest project logistics and equipment service provider, we own and operate over 1,000 equipments, three general cargo ships for coastal shipping and strategically located warehouses for 3PL and warehousing services.

Today we are the helm of India's only logistics multinational company with capabilities to provide integrated logistics services. Our company has emerged as a leading and formidable player in all the businesses that it operates in. The thrust will continue to be on profitable growth across all lines of our businesses.

In the past year, we saw the global economic scenario continue to be challenging. However economists believe going forward, this will change to growth albeit a slow one.

India continued to be one of the growing economies in the world but the growth stemmed due to various factors like inflation, policy reform setbacks, rise in cost of borrowing, paucity of funds amongst others. This affected growth and profitability of companies across sectors.

At Allcargo, we continued to focus on bringing in efficiencies through cost management, investing in our most valuable resource – 'People' and consolidating our position as leading players across all the segments we are present in.

We continued our growth in the global LCL consolidation business. In our CFS business, the volumes declined due to drop in EXIM trade but towards the second half of the year, we saw this decline stem. And we have seen growth slowly seeping back in this segment as exports have started to pick up. In our project & engineering business, we continue to witness a slowdown in capex and execution of projects by our customers leading to lower revenue realization and lower asset utilization. However we have a strong order book, adding new customers by offering integrated logistics solutions and are confident as the pick up in the capex cycle happens in India, this business will show a spurt in growth and profitability improving ROCE significantly, through improved asset utilization.

Last year, we were conservative in our capex spend. Apart from the acquisitions, the only capex spent was maintenance capex. We plan to continue this slow capex spend in the current year as well.

We are focused on revenue & profit growth, ROCE, asset utilization & cash flows across all our businesses. Also strong cash flows generated in the years to come, will be used to bring down the existing debt on the balance sheet.



CHAIRMAN'S MESSAGE

Business performance:

The consolidated financial performance for the 12 months ended March 31, 2014, is as follows:

Total revenue from operations at ₹ 489,593 Lakhs for the year ended March 31, 2014, as against ₹ 399,245 Lakhs for the corresponding previous period, an increase of 23%, mainly on account of increase in volumes and revenues in the MTO business that include the two acquisitions during the year. 84% of the revenue is from the global MTO business.

EBIDTA at ₹ 42,781 Lakhs for the year ended March 31, 2014, as against ₹ 42,234 Lakhs for the corresponding previous period, an increase of 1%.

EBIT of ₹ 28,645 Lakhs for the year ended March 31, 2014, as against ₹ 24,497 Lakhs for the corresponding previous period, before amortization of goodwill in FY14 and after eliminating exceptional income of previous year, an increase of 17%

EPS for the year ended March 31, 2014 was ₹ 11.8, for a face value of ₹ 2 per share

Our business strategy of being an integrated logistics service provider has not only avoided dependence on only a particular segment of logistics in India but also makes us the 'partner of choice' for our customers in terms of service offerings. Our global scale with operations across 90 countries, covering over 4,000 port pairs and focus on LCL consolidation, has made us more or less resilient to global trade volatility.

Our focus has always been on managing costs and increasing market share. We are also trying to increase our global market share and have invested in an extremely efficient and integrated system of people and assets. With investment in right systems and procedures, we have created a sustainable business model and are very confident of our long- term prospects.

Over the long term, India's prospects remain very bright. India has the potential to grow at sustained high rates over the next several decades on the strength of its demographic transition and high savings and investment rates.

India's infrastructure development has been recognized as a critical driver for progress and economic development. The new government also recognizes this and plans to take steps to address the issue of poor infrastructure in the country.

Awards and recognitions:

I feel very proud in informing you that during the last year, our Company has won many awards & recognitions.

Ranked 216th among India's top 500 Non-Financial companies and was ranked 9th among companies with most Nos. of Subsidiaries by Business World in its cover story, 'The BW Real 500' – The definitive ranking of India's biggest companies.

Awarded 'CRISIL AA-/ STABLE' credit rating in high safety category by CRISIL.

Mr. Shashi Kiran Shetty was ranked at 61st position amongst the top performers in India, in the mid-sized corporate category in a nation-wide survey ranking 'India's most valueable CEOs' conducted by Business World magazine.

Mr Shashi Kiran Shetty, CMD, was awarded 'Business Leader & Visionary of the Year' at the MALA awards.

Awarded 'Global Indian Maritime Personality' by the Maharashtra Chamber of Commerce, Industry & Agriculture.





CHAIRMAN'S MESSAGE

Awarded the Business Leader of the Year – CHEMTECH's Leadership & Excellence Awards 2014

Awarded 'Excellence in the Logistics, Transport & Hospitality Award' by the Maharashtra Chamber of Commerce, Industry & Agriculture & IBN Lokmat

Awarded 'Logistics Innovator of the Year' by Chartered Institute of Logistics & Transport (CILT)

Awarded the Corporate Social Responsibility Award by MALA

Ms. Shantha Martin was awarded 'CEO of the Year' – Indian Women's Leadership Forum's Women's Leadership & Innovations Award

Future plans:

Logistics is the backbone of our economy. Though over the last few years, the economy has seen the worst of phases and it has affected the industry adversely. But I truly believe that there is opportunity in every adversity.

During this time, we have focused on cost management and more importantly value creation for our customers through integrated logistics. This has given us the impetus to retain our momentum in these challenging times as well as position ourselves as a partner to our customers.

Going forward, we will continue to focus on creating value for our customers. We will leverage our global network to consolidate our leadership. We will also focus on key markets of USA, China, Brazil and Germany in the coming years. In India, we will continue our focus on increasing our market share in CFS, ICD and P&E businesses. And also look at scaling up our 3PL, warehousing & shipping businesses.

We believe this is the time to consolidate our focus and drive our ambition to become a global and preferred integrated logistics partner for our customers, creating value for all our stakeholders.

I firmly believe that having talent at all levels - which is naturally linked to innovation, corporate governance, business ethics, commitment and continuous learning - will enable us to outperform our industry and meet our obligations as an organization to our stakeholders.

I thank you all for your immense support and continued trust in the Management of our Company. I sincerely thank all our stakeholders – customers, partners, employees, shareholders, business associates for their faith in us. As we plan and work towards making our business bigger and better, I look forward to your continuous support and encouragement to take our company to greater and newer heights.

Thank You

Shashi Kiran Shetty

Chairman and Managing Director



OUR BUSINESSES



Pioneering Integrated Logistics Solutions, Worldwide

Allcargo's leadership in the logistics space globally is the result of its unique integrated model of providing world class services as below:

- Global Multimodal Transport Operations, comprising NVOCC (LCL & FCL) services
- Container Freight Station (CFS) & Inland Container Depots (ICD), operations pan India
- Project & Engineering Solutions (Project Logistics & Equipment Hiring)
- Ship Owning & Chartering Services
- 3PL & Warehousing

At Allcargo, we strive to add value to our customer's business objectives and create delight through our services. Our continuous focus on world class infrastructure, equipments, processes and benchmark services drive our philosophy of *'Ingenuity in Motion'* in everything that we do.



MULTIMODAL TRANSPORT OPERATIONS (MTO)



KRIS DE WITTE

Executive Director
(Ecu-Line)

Allcargo's Multimodal Transport Operations comprises NVOCC (Non Vessel Operating Common Carrier) which constitutes LCL (Less than Container Load), FCL (Full Container Load) and other value added services. At present Allcargo's wholly owned subsidiary ECU-LINE is one of the global leaders in LCL services. With network across 90 plus countries and 200 plus offices, ECU-LINE's services covers over 82 percent of world and connecting over 4,000 port pairs globally. With global leadership in LCL, Allcargo is also focused on spearheading the FCL portfolio of services.



MARC STOFFELEN

Executive Director
(Ecu-Line)

With global economy undergoing a positive turnaround and with Allcargo's extensive global network and expertise in LCL and FCL space, we are comfortably placed to consolidate our leadership further across global markets.

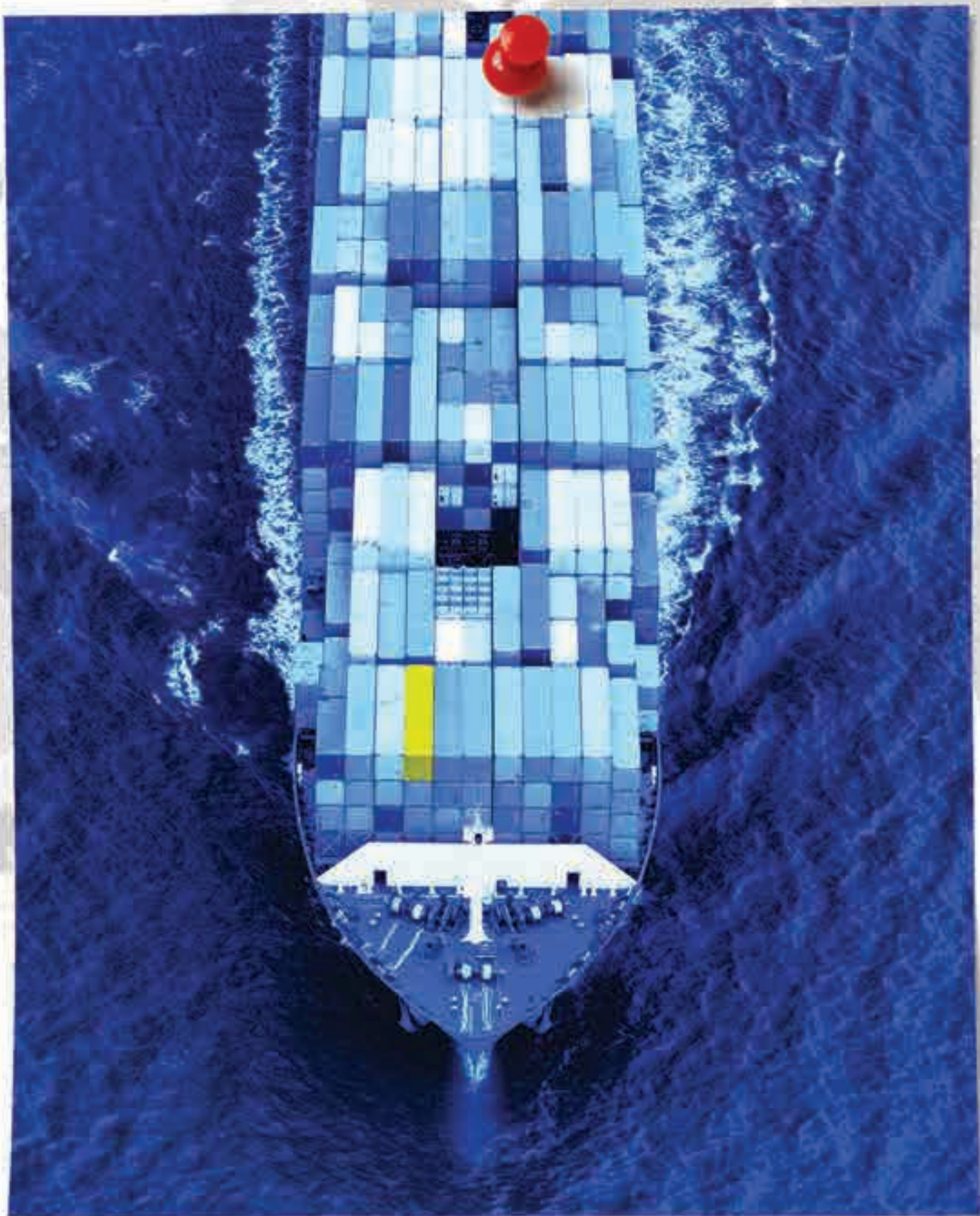
We will continue our focus to add value to our customer's logistics requirements, by leveraging our NVOCC expertise as well our integrated services, globally. In addition to key markets across Asia Pacific region, we will continue to concentrate on the American continent as a priority market which includes United States as well as South American countries. Across Europe we will consolidate our leadership and continue pursuing new customers through our world class services.



S. SURYANARAYANAN

Director Finance &
Executive Director
(Ecu-Line)

We will also expand our own offices globally, wherein recently we started own office operations across Malaysia (Port Klang and Penang), Philippines (Davao) and Australia (Fremantle). With own offices, domain expertise and comprehensive global network, we have enhanced our NVOCC service capabilities manifold. We will pursue similar expansion of offices globally.





ADARSH HEGDE

Executive Director

India's economy is poised for a revival under the new government with a clear mandate and strong leadership at the centre. Thus India's logistics industry which is the backbone of our country's economy, will see a positive surge in growth through coming years. Particularly in logistics domain, ports and infrastructures complimenting ports i.e. Container Freight Station and Inland Container Depots will witness an upswing in growth trajectory.

In addition to ports driving our exim trade, making these ports efficient and productive indirectly are the CFS and ICD operators. These world class facilities provide a one stop shop for storage as well as clearance of exim container, with all value added service under one roof. Allcargo is one of the leaders in CFS & ICD operations pan India with six world class facilities across JNPT (Mumbai), Mundra (Gujarat), Chennai, Dadri (near Delhi) and Kheda (Indore). With a capacity to handle over 500,000 TEUs per annum Allcargo's CFS & ICD division is well placed to consolidate its leadership in the space.

Allcargo's infrastructure comprises world class equipments such as Rubber Tyre Gantry Cranes (RTGC), Reach Stacker, owned fleet of trailers etc. These infrastructure are driven by professional experts and by benchmarked quality standards, operational excellence and innovative service delivery practices. All facilities of Allcargo are OHSAS (Occupational Health and Safety Assessment Series) 18001:2007 certified and ISO 9001:2008 certified. Allcargo's CFSs are GSV (Global Security Verification) certified. Allcargo was one of the first CFSs to implement RFID technology through chips and kiosks to track containers, thus providing seamless control, visibility and real time information. Google maps are also used to provide customers facility to track shipments and containers across facilities.

With logistics driving the economy, CFS and ICD business will see a better growth rate in coming years compared to the last few periods of economic gloom. With India exim being the key focus of growth, these facilities will be instrumental in not only generating more business but also creating efficiency in the overall value chain of logistics in the country. As the market increases, Allcargo is better placed to increase its market share and tap new customers, through its integrated logistics business model.



Transindia, JNPT



CFS at JNPT



CFS at Mundra



CFS at Chennai



Dadri ICD



Kheda ICD



UMESH SHETTY
Executive Director



ARMIN KALYANIWALLA
CEO – Project Division

As India's leading Project & Engineering solutions provider Allcargo's experience in the space and expertise in managing mega projects end to end is unparalleled. Allcargo's P&E team is one of the most experienced in the industry and has successfully executed numerous project for renowned organisation across multiple sectors ranging from oil & gas, power, heavy engineering, urban transportation and others. Allcargo is one of the few organisation with a fleet of over 1000 world class owned equipments, that includes complete range of Cranes (Crawler, Telescopic, Truck Lattice and all Terrain), Hydraulic Axels & Self Propelled Modular Transporters (SPMTs), Strand Jacks, Trailers (Low Bed, Semi Low & High Bed), Fork Lifts & Reach Stackers. Our expertise are enhanced with internal engagements with Mammoet and Hansa Heavy Lift and with a focus on innovating our services such as proving Factory-to-Foundation services from transportation, to erection, to commissioning of projects.

With India's economy focusing towards creating infrastructure critical to drive nation's GDP growth further and create new opportunities for employment, mega projects which are the critical foundation for other sectors, will drive project logistics growth in coming future. Renewed investment by public as well as private and PPP initiatives will lead to rapid deployment and movement of project cargo within the economy.

Allcargo Project & Engineering (P&E) division is well poised to capitalize the opportunity in the economy, to scale its business, market share and increase its engagements with existing as well as new customers, especially in sectors such as Power, Oil & Gas, Public Transportation, Telecommunication etc.

Lifting Project and Mangaon, Raigad



Son river bypass



Windfarm Project, Jhangi Gujarat





**CAPT. ASHOK KUMAR
SHRIVASTAVA**

CEO - Shipping Division

Given India's unique demography and over 7,000 kilometers of coastline, coastal shipping will play a vital role as a medium of transportation. At present road and rail are the prominent medium through which majority of cargo is moved within the economy. But given the challenges of road congestion and rail movement, coastal shipping is the most ideal form of transportation given is larger capacity to carry cargo, lesser time taken for transportation and most important of all minimal carbon footprint in comparison to road or rail movement.



AJAY RAO

President - Strategy and BD
(Warehousing & 3PL Division)

Allcargo's shipping division is one of the leaders in ship owning and chartering services with three cargo vessels, i.e. M. V. Allcargo Laxmi, M. V. Arathi, M. V. Allcargo Susheela, specializing in movement of Bulk, Break Bulk and Project Cargo. With emphasis of the new government in focusing on making waterways as the leverage to decongest road and rail network as well as create new avenues of efficiencies coastal shipping has a much brighter growth prospects in coming years. Allcargo is well poised to take the leadership role in this space with its infrastructure as well as integrated logistics capabilities.

Within a fast paced economy of India 3PL & warehousing will play a critical role in bringing and creating efficiencies in the logistics space. Many leading domestics as well as international companies operating from India are moving towards embracing an outsourcing model of their non core 3PL and warehousing functions to industry experts. Allcargo's professional expertise in the space, along with strategically located warehouses across Mumbai (Bhiwandi), Goa, Indore, Hosur and Chennai, we are well placed to scale our business and service new customers. Allcargo's unique integrated logistics model also creates an unparalleled industry expertise for servicing our customers in a holistic way and thus carving a competitive advantage for their businesses.



M. V. Allcargo Susheela



Allcargo Warehouse

OUR MANAGEMENT TEAM





SENIOR MANAGEMENT TEAM



Mr. Shashi Kiran Shetty – Chairman & Managing Director

Mrs. Arathi Shetty – Non Executive Director

Mr. Adarsh Hegde – Executive Director

Mr. Umesh Shetty – Executive Director

Mr. P. P. Shetty – HR Advisor



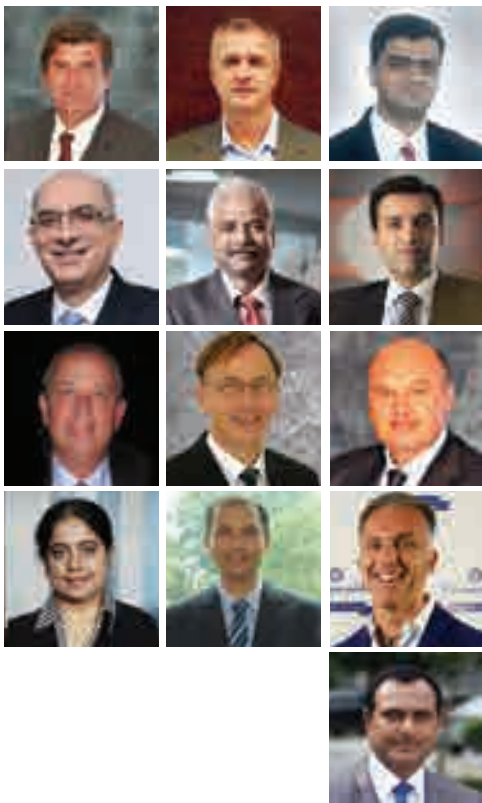
Mr. S. Suryanarayanan – Director Finance & Executive Director - Ecu-Line

Mr. Jatin Chokshi – Chief Financial Officer

Mr. Ajit Jangle – Group Chief Operating Officer

Mr. Mukundan K V – Chief Assurance & Risk Executive

Mr. Hrushikesh Joshi – Group Chief Information Officer



Mr. Kris De Witte – Executive Director – Ecu-Line

Mr. Marc Stoffelen – Executive Director – Ecu-Line

Mr. Deepal Shah – CEO - Hindustan Cargo

Mr. Armin Kalyaniwala – CEO - Project Division

Capt. Ashok Kumar Shrivastava - CEO - Shipping Division

Mr. Ajay Rao – President Strategy & BD (Warehousing & 3PL Division)

Mr. Tim Tudor – RCEO – South America, Mexico & Canada

Mr. Thomas Heydorn – RCEO – Central & Eastern Europe

Mr. Simon Bajada – RCEO – North & West Europe, Mediterranean

Ms. Shantha Martin – RCEO - India, ISC, Middle East & Africa (S & E)

Mr. Uday Shetty – RCEO - ASIAPAC

Mr. John Abisch – RCEO - USA, Caribbean &
Central America - Ecu-Line & Econocaribe

Mr. Pramod Kokate – Sr. Vice President CFS/ICD (Sales & Marketing)



CORPORATE INFORMATION

Bankers

Axis Bank Ltd
Citibank NA
DBS Bank Ltd
HDFC Bank Ltd
Hongkong and Shanghai Banking Corporation Ltd
ING Vysya Bank Ltd
Standard Chartered Bank
State Bank of India
Yes Bank Ltd

Statutory Auditors

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

M/s B S R & Co. LLP
Chartered Accountants
Lodha Excelus, 1st Floor
Apollo Mills Compound, N M Joshi Marg
Mahalaxmi, Mumbai-400 011

Internal Auditor

Mr. Mukundan K V

Company Secretary & Compliance Officer

Mr. Shailesh Dholakia

Solicitors & Legal Advisors

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

Registrar & Share Transfer Agents

Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W), Mumbai-400 078
Tel: 022-2596 3838 Fax: 022-2594 6969
Email: mumbai@linkintime.co.in

Registered Office

6th Floor, Avashya House
CST Road, Kalina, Santacruz (East)
Mumbai 400 098
Tel: 022-6679 8100
Fax: 022-6679 8195
www.allcargologistics.com





BOARD OF DIRECTORS



Shashi Kiran Shetty



Arathi Shetty



Adarsh Hegde



Umesh Shetty



Akhilesh Gupta



Kaiwan Kalyaniwalla



Keki Elavia



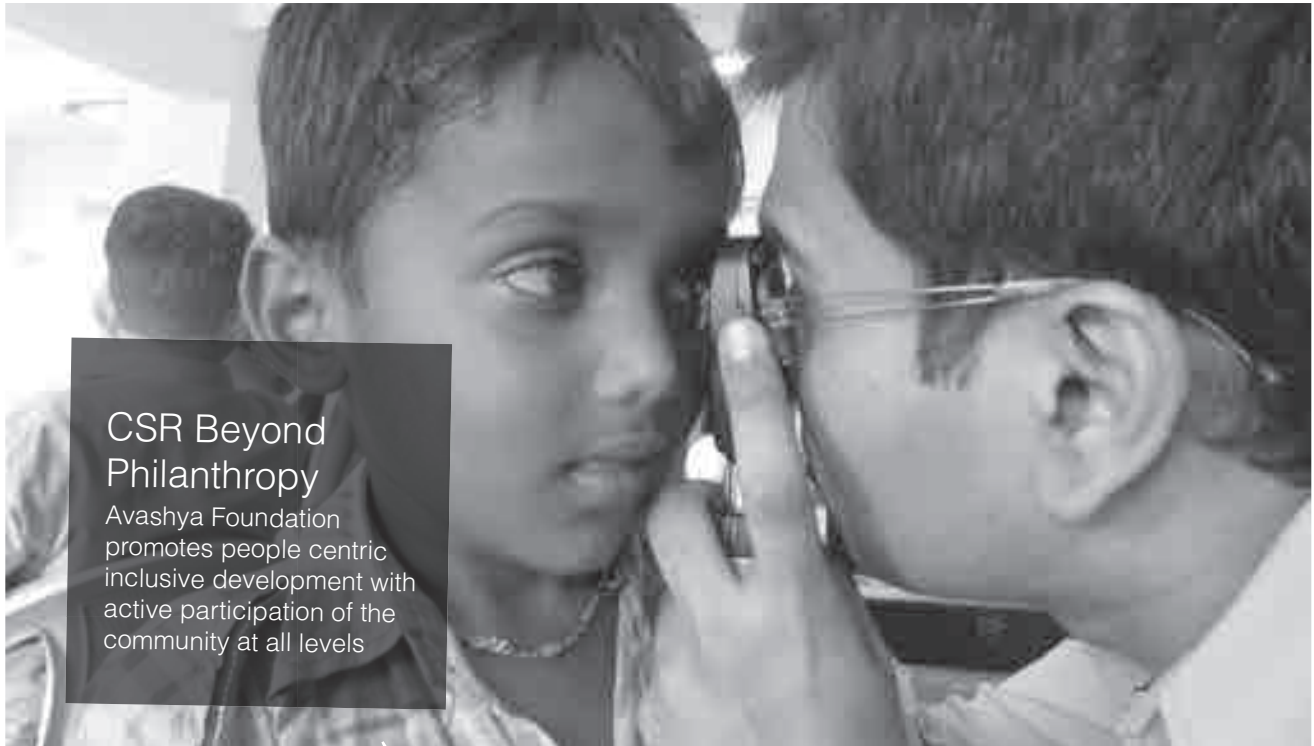
M P Bansal



Hari Mundra



J. Ramachandran



CSR Beyond Philanthropy

Avashya Foundation promotes people centric inclusive development with active participation of the community at all levels

Natural Disaster Relief



Providing immediate and life essential supply of water, food and medicine to regions of India effected by natural disasters such as drought, flood, earthquakes, and other calamities.

Health Care



Critical medical assistance for curative and preventive health care. Make essential and life saving medicines and medical treatment available to all underprivileged and economically challenged section of the society across rural and urban regions of India.

Education



For children and adults across the underprivileged and economically challenged sections of the rural as well as urban society. Create a platform for financial assistance, students scholarships & adoption programs, parents awareness campaigns and through creating education support infrastructure.

Women Empowerment



Providing a platform for all women across the varied sections of the society for making a better living through education, skills development and employment programs, to support themselves and their families.

Environmental Sustainability



Focus on creating awareness towards sustainable environmental practices in terms of infrastructure development, alternative energy, conservation of resources and training people to be more conscious, responsible and accountable to the environment.

Sports



Promote sports as an activity of skills development and education across the underprivileged and economically challenged sections of the rural and urban society. Create conducive environment, infrastructure and financial assistance to nurture and develop talents in sports.

Philosophy:

Actively support the social development of underprivileged, destitute, economically challenged and helpless citizens

Vision

Take each CSR initiative beyond philanthropy and promote people centric inclusive development with the active participation of the community at all levels



- Avashya Foundation's CSR initiatives pan India have touched the lives of over 29,000 citizens
- Over 2,000 patients have benefited through foundation's dedicated medial support center, at Sion municipal hospital in Mumbai under the 'Jeevan' project. The center at Nair hospital in Mumbai under 'Jeevan Coping with Cancer' project has touched the lives of over 500 patients in their fight against cancer
- Medical & eye check-up camps under 'Drushti' project has helped over 16,000 citizens pan India till date, which includes cataract operations, provision of spectacles for eye treatments & diagnosis of other ENT ailments



- Avashya Foundation supports education scholarship of over 2,000 students for completing their graduation. This includes pre-primary education of children from tribal regions
- Construction of schools and its support infrastructure, thus benefiting over 700 children and teachers
- As part of its environmental initiatives, we have provided solar lamps to villages as well as conducting periodic awareness campaigns
- Providing clear water to over 4,000 citizens affected by drought, as well as providing critical medicines for flood relief efforts at Uttarakhand & Himachal Pradesh
- To support women empowerment, Avashya foundation supports vocational training programs in nursing
- To eradicate leprosy, Avashya foundation supports awareness and diagnosis programs which has benefited over 400 citizens till date, through initiative like Leprosy Elimination Action Project (LEAP) in association with ALERT India
- Medicinal support to shelter homes in order to meet health needs of the differently abled children

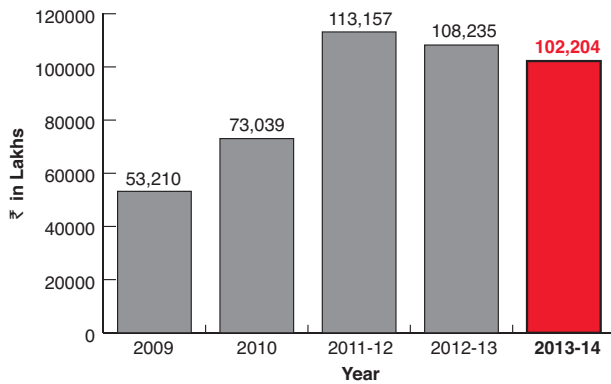




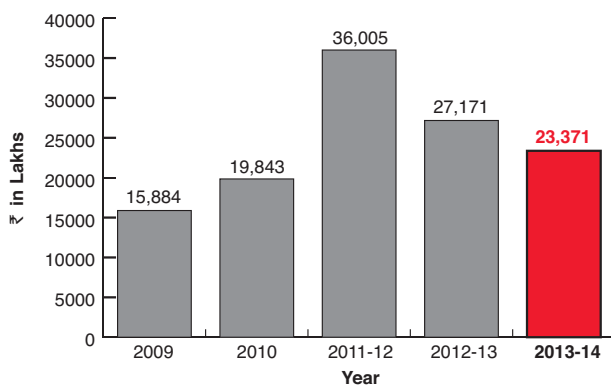
OUR PERFORMANCE

STANDALONE FINANCIAL

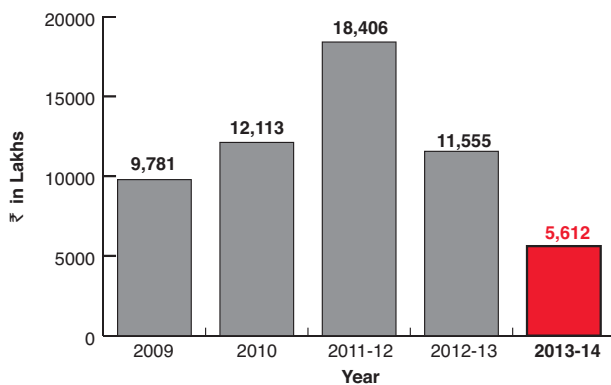
TOTAL INCOME



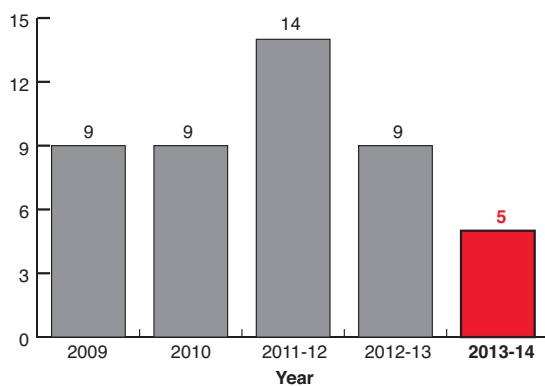
EBITDA



PROFIT AFTER TAX

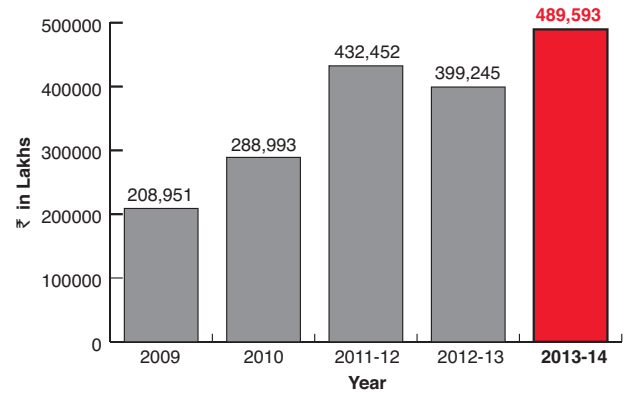


EARNING PER SHARE (₹)

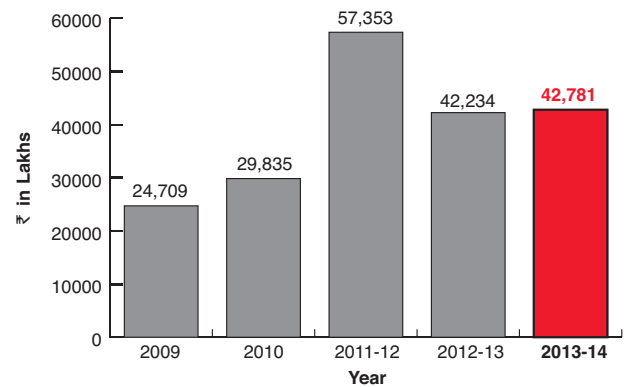


CONSOLIDATED FINANCIAL

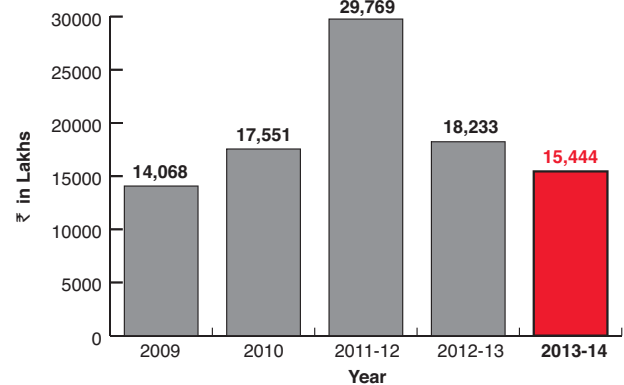
TOTAL INCOME



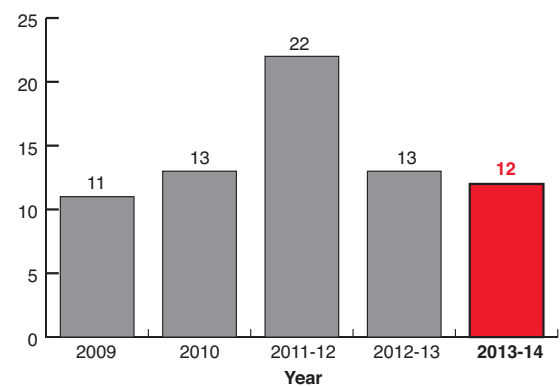
EBITDA



PROFIT AFTER TAX



EARNING PER SHARE (₹)



STANDALONE FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

	2013-14	2012-13	2011-12	2010	2009
Total Income	102,204	108,235	113,157	73,039	53,210
Profit Before Interest, Depreciation and Taxes	23,371	27,171	36,005	19,843	15,884
Interest	(2,863)	(2,667)	(5,055)	(1,332)	(1,496)
Depreciation	(13,475)	(11,676)	(8,904)	(4,024)	(3,763)
Profit Before Exceptional Items and Taxation	7,033	12,828	22,046	14,487	10,625
Provision for Tax	(1,421)	(1,273)	(3,640)	(2,374)	(844)
Exceptional Items	-	-	-	-	-
Profit After Tax & Exceptional Items	5,612	11,555	18,406	12,113	9,781
Profit Brought Forward from Previous Year	54,332	46,218	31,938	24,424	17,086
Prior Period Adjustments	-	-	-	1,238	17
Profit Available for Appropriations	59,886	57,774	50,344	37,774	26,884
Appropriations:					
Interim Dividend Paid	-	-	1,305	681	624
Tax on Interim Dividend	-	-	212	113	106
Proposed Final Dividend	1,891	1,883	653	3,263	624
Tax on Final Dividend	321	320	106	529	106
Transfer to General Reserve	561	1,156	1,850	1,250	1,000
Transfer to capital Redemption Reserve	-	83	-	-	-
Balance Carried to Balance Sheet	57,113	54,332	46,218	31,938	24,424
Ratios:					
Earning Per Share (in ₹)	5	9	14	9	9
Dividend Per Share (in ₹)	1.50	1.50	1.50	3.00	1.00
Book Value Per Share (in ₹)	96.46	92.96	87.33	75.01	63.44
Debt/Equity Ratio	0.36	0.40	0.50	0.25	0.14

CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

	2013-14	2012-13	2011-12	2010	2009
Total Income	489,593	399,245	432,452	288,993	208,951
Profit Before Interest, Depreciation and Taxes	42,781	42,234	57,353	29,835	24,709
Interest	(5,632)	(4,144)	(6,832)	(1,944)	(2,316)
Depreciation	(17,546)	(14,735)	(13,370)	(5,499)	(5,447)
Profit Before Exceptional Items and Taxation	19,603	23,355	37,151	22,391	16,946
Exceptional Items	-	(1)	(44)	-	(274)
Provision for Tax	(4,159)	(5,121)	(7,337)	(4,840)	(2,604)
Profit After Tax	15,444	18,233	29,769	17,551	14,068
Profit Brought Forward from Previous Year	81,422	67,456	43,349	32,593	22,000
Prior Period Adjustments for Taxes and Expenses	-	-	-	39	3
Minority Interest	(511)	(1,259)	(1,317)	(998)	(1,076)
Profit Available for Appropriations	96,406	84,881	71,801	49,186	34,995
Ratios:					
Earning Per Share (in ₹)	12	13	22	13	11
Book Value per share (in ₹)	142.26	125.81	114.45	90.50	78.68
Debt/Equity Ratio	0.55	0.46	0.51	0.32	0.21

DIRECTORS' REPORT

To,
The Members of
Allcargo Logistics Limited

Your Directors take pleasure in presenting the Twenty First Annual Report of the Company, both on Standalone and Consolidated basis, together with Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

Particulars	For the Year Ended			
	Standalone Results		Consolidated Results	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Sales & Other Income	102,204	108,235	489,593	399,245
Profit Before Interest, Depreciation / Amortization and Taxes	23,371	27,171	42,781	42,234
Interest	2,863	2,667	5,632	4,144
Depreciation & other amortisation	13,475	11,676	17,546	14,735
Profit Before Tax	7,033	12,828	19,603	23,354
Provision For Tax	1,421	1,273	4,159	5,121
Profit After Tax	5,612	11,555	15,444	18,233
Profit attributable to Minority Interest	-	-	(511)	(1,294)
Share of Profit of Associates	-	-	-	35
Profit brought forward from previous year	54,322	46,219	81,422	67,456
Amount available for Appropriations	59,886	57,774	96,409	84,881
Appropriations:				
Proposed Dividend	1,891	1,883	1,891	1,882
Tax on Dividend	321	320	321	320
Transfer to General Reserve	561	1,156	561	1,156
Transfer to Tonnage Tax Reserve	-	-	18	-
Transfer to Capital Redemption Reserve	-	83	-	101
Profit carried to Balance Sheet	57,113	54,332	93,615	81,422

REVIEW OF OPERATIONS

The year under review was very challenging for your Company as macroeconomic environment continued to remain unstable and volatile and slow down of the Indian as well as global economy affected the trade flows. These uncontrollable factors have impacted performance of your Company under review. However your Company continued to remain focused on its strategic goals and in order to further strengthen the LCS and FCL business globally, your Company has made two major acquisitions outside India viz. 100% stake in US based Econocaribe Consolidators and 75% stake in Netherland based FCL Marine Agencies.

Econocaribe Consolidadores, established in 1968, is a leading Less then Container Load (LCL) consolidator (NVOCC) in the United States. With its headquarters in Miami, Florida, Econocaribe Consolidators has 9 offices in the United States and 22 receiving terminals throughout the United States and Canada, as well as partners across the world. Econocaribe Consolidators specializes in freight consolidation and Full Container Load (FCL) services to Latin America, the Caribbean, Europe, the Mediterranean, the Middle East, Africa and Asia. They also offer import LCL/FCL transportation services from around the world into the United States and Puerto Rico. Ecu Line offices had been working since last 6 years in the United States, engaging Econocaribe Consolidators as its agent. This acquisition now enables Ecu Line to complete its service offerings, both in terms of global capabilities and coverage. The acquisition also increases Ecu Line's foot hold in the US market, which will facilitate growth into and out of US market and rest of the world being the largest economy in the world.



FCL Marine Agencies Rotterdam is a leading neutral NVO service provider in FCL segment, operating in Europe, USA and Canada. With Ecu-Line's global leadership as a neutral LCL provider with network across 90 countries and 200 own offices globally, its acquisition of FCL Marine Agencies Rotterdam, is a step forward to consolidate its global leadership and cater to its customer's request for a neutral Full Container Load (FCL) service through its global network and benchmark services. Taking into consideration the evolving global requirements of customers, Ecu-Line has taken this step to provide them with world class FCL services.

Both these acquisitions have been successfully integrated with the Company. In addition, your Company has continued to put in serious efforts to strengthen its customer-centric approach and its ability to innovate customer specific solutions to focus on pricing and aggressive marketing strategy and to undertake disciplined project executions, coupled with prudent financial and human resources management and better control over costs. The Government has also recently taken a number of measures to fast track infrastructure and industrial growth. It is expected that the years ahead would bring new opportunities in the key business areas that your Company is focused on.

Consolidated Performance:

Your Company has earned total revenue of ₹ 489,593 Lakhs and earned a net profit after minority interest of ₹ 14,933 Lakhs as compared to revenue of ₹ 399,245 Lakhs and net profit after minority interest of ₹ 16,974 Lakhs in preceding financial year, representing growth of 23% in total revenue & drop of 12% in net profit. The growth in revenue is mainly on account of increase in volume which includes the two acquisition made during the year under review. Drop in net profit was mainly attributable to increased finance cost and one time write off of goodwill arising out of the merger of MHTC Logistics Pvt.Ltd. with the Company. Earning before interest, tax and depreciation (EBITDA) is ₹ 42,781 Lakhs as compared to ₹ 42,234 Lakhs in preceding financial year, representing marginal growth of 1%.

Stand-alone Performance:

Your Company has earned total revenue of ₹ 102,204 Lakhs and earned a net profit of ₹ 5,612 Lakhs as compared to revenue of ₹ 108,235 Lakhs and net profit of ₹ 11,555 Lakhs in the preceding financial year, representing drop of 6% in total revenue & drop of 51% in net profit. The drop in net profit was mainly attributable to the one time write off arising out of the merger of MHTC Logistics Pvt.Ltd. with the Company and increase in finance cost. Earnings before interest, tax and depreciation (EBITDA) is ₹ 23,371 Lakhs as compared to ₹ 27,171 Lakhs in preceding financial year, representing drop of 14%. The drop in EBITDA is mainly on account of increase in finance cost.

The company is now coming back on a strong growth path having exited the year with a one billion dollar turnover rate and its efforts to improve efficiency, productivity and profitability will improve overall returns. For detailed segment wise performance, members are requested to refer to the Management Discussion and Analysis Report annexed to this report.

APPROPRIATIONS

Considering the performance of the Company during the year under review, your Directors are pleased to recommend a dividend @ 75% i.e. ₹ 1.50 per equity share of ₹ 2 each.

The Dividend, if approved by the members at the ensuing Annual General Meeting, will absorb a sum of 2,212 Lakhs including dividend distribution tax.

SUBSIDIARY COMPANIES

The operating performance of various subsidiaries were also affected since the macroeconomic environment remain unstable and volatile but nevertheless the subsidiaries put their best efforts to sustain such turbulent times and achieved sustainable growth during the year under review.

Considering the Group's policy on gaining 100% control over the affairs of subsidiary companies across the globe, your Company has acquired / increased its stake in following indirect subsidiary companies, during the year under review.

- i. Acquired balance 40% stake in Ecu Line Australia Pty Ltd as a result Ecu Line Australia Pty Ltd has become 100% subsidiary of Ecuhold NV;
- ii. Acquired balance 40% stake in Ecu Line New Zealand Ltd as a result Ecu Line New Zealand Ltd has become 100% subsidiary of Ecuhold NV;
- iii. Increased stake to 90% by acquiring 10% stake in Translogistik Internationale Spedition GmbH, Germany;
- iv. Acquired 75% stake in FCL Marine Agencies BV, Netherland;

- v. Acquired balance 30% stake in Ecu-Line Peru SA and Flamingo Line del Peru SA and as a result Ecu-Line Peru SA and Flamingo Line del Peru SA have become 100% subsidiary of Ecuhold NV;
- vi. Acquired balance 49% stake in Ecu-Line Switzerland GmbH as a result Ecu-Line Switzerland GmbH has become 100% subsidiary of Ecuhold NV;
- vii. Increased stake to 82% by acquiring 19% stake in SHE Maritime Services Ltd.;
- viii. Acquired 100% stake in Econocaribe Consolidators, Inc., Econoline Storage Corp. and ECI Customs Brokerage through Prism Global, LLC, the wholly owned subsidiary of Ecuhold NV;

During the year under review, your Company has divested its stake in the following joint venture companies, as they are no longer relevant to its requirements .

- i. Divested stake held in Transworld Logistics & Shipping Services LLC, a joint venture company;
- ii. Divested stake held in Sealand Warehousing Pvt.Ltd. and Gujarat Integrated Maritime Complex Pvt.Ltd.

The stand-alone audited financial statements of all subsidiaries operating in India and Overseas are not attached to this report in view of the general exemption granted under Section 212 of the Companies Act, 1956 by the Ministry of Corporate Affairs, Government of India vide its Circular No.51/12/2007- CL-III dated February 8, 2011 and February 21, 2011. 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 and its subsidiaries 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 and its subsidiary companies.

CONSOLIDATED FINANCIAL STATEMENTS

As required under the Listing Agreement with the Stock Exchanges, the attached Consolidated Financial Statements of the Company and all its subsidiaries 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 associate companies and 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 March 31, 2014 are set out in Annexure II annexed to this report. The ESOP Scheme had a validity period of 7 years from the date of its formation and accordingly has expired on January 11, 2013.

A certificate from the Statutory Auditors of the Company M/s. B S R & Co. LLP, Chartered Accountants, Mumbai and 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.

AMALGAMATION OF MHTC LOGISTICS PVT.LTD

The Scheme of Arrangement between the Company, MHTC Logistics Pvt. Ltd., and their respective shareholders and creditors made u/s 391 to 394 of the Companies Act, 1956 read with section 78, 100 to 103 of the Companies Act, 1956, for amalgamation of MHTC Logistics Pvt.Ltd., the wholly owned subsidiary of the Company, with the Company was sanctioned by the Hon'ble Bombay High Court vide order dated December 6, 2013. Pursuant to the said Court order, MHTC Logistics Pvt.Ltd. the wholly owned subsidiary of the Company, has been amalgamated with the Company with effect from April 1, 2012 ("The Appointed Date"). The authenticated copies of the Court order along with the Scheme have been filed with the Registrar of Companies, Mumbai, Maharashtra by the Company and MHTC Logistics Pvt.Ltd. on January 24, 2014 and accordingly the Scheme has become effective from that date. Accordingly, the financial statements of MHTC Logistics Pvt. Ltd. for the year ended March 31, 2014, have been considered in the financial statements of the Company.

The Company has carried out the accounting treatment prescribed in the Scheme as approved by the Hon'ble Bombay High Court. The required disclosures for accounting of Scheme as per the "Pooling of Interest Method" as given under Accounting Standard 14 (AS 14) "Accounting for Amalgamations" as prescribed under the Companies (Accounting Standards) Rules 2006 have been provided. Accordingly in accordance with the approved Scheme:

- The Company has taken over all the assets aggregating to ₹ 3,540 Lakhs and liabilities aggregating to ₹ 2,081 Lakhs at their respective book values. As per the Scheme the identity of reserves of MHTC is required to be maintained by the Company as on the Appointed Date aggregating to ₹ 1,438 Lakhs. On cancellation of investments made by the Company in MHTC against the share capital and the net assets of MHTC taken over as on the Appointed Date there was a deficit of ₹ 3,410 Lakhs which has been debited to the "Goodwill Account" of the Company.
- The Goodwill has been amortized fully during the financial year 2013-14.
- Prior to the Appointed Date, MHTC was holding 373,491 equity shares of the Company. As a consequence of and as per the approved Scheme of Arrangement the aforesaid investment of MHTC in the Company has been cancelled and accordingly the share capital of the Company stands reduced by ₹ 7 Lakhs and the Securities Premium Account of the Company stands reduced by ₹ 635 Lakhs.
- In terms of the Scheme, the Appointed Date of the amalgamation being April 01, 2012, the net loss of the MHTC during the financial year 2012-13 aggregating to ₹ 88 Lakhs has been transferred, to the extent not accounted already, to the surplus in the Statement of Profit and Loss in the books of the Company upon amalgamation.
- No further consideration is payable or receivable on implementation of the Scheme as it involves amalgamation of a wholly owned Subsidiary with the Company.

SHARE CAPITAL AND LISTING OF SHARES

Pursuant to the Scheme of Arrangement between the Company, MHTC Logistics Pvt. Ltd., and their respective shareholders and creditors made u/s 391 to 394 of the Companies Act, 1956 read with section 78, 100 to 103 of the Companies Act, 1956, becoming effective, equity shares held by MHTC Logistics Pvt. Ltd. in the Company has been cancelled and accordingly the issued, subscribed and paid up share capital of the Company stands reduced from ₹ 252,842,506 divided into 126,421,253 equity shares of ₹ 2 each fully paid to ₹ 252,095,524 divided into 126,047,762 equity shares of ₹ 2 each fully paid.

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

AWARDS AND RECOGNITION

The year under review was very special for your Company as it has received many awards and recognitions for the significant contribution made by your Company in development and growth of the logistic industry.

- 🏆 Allcargo Logistics was awarded as the '**LCL Consolidator of the Year in Northern India**' at North India Multimodal Logistics Awards, 2014;
- 🏆 Allcargo's NVOCC division was conferred with '**LCL Consolidator of the Year**' award, at the 5th edition of the South East Cargo & Logistics Awards 2013;
- 🏆 Allcargo's NVOCC division was awarded '**LCL Consolidator of the Year**' at Cargo & Logistics Awards 2014;
- 🏆 Allcargo Logistics was awarded the '**Best CFS Operations**' by Indian Chamber of Commerce (ICC) at the ICC Supply Chain and Logistics Excellence Awards 2014;
- 🏆 Allcargo's CFS at JNPT '**Transindia Logistics Park**' was awarded with '**Container Freight Station Operator of the Year**' at the Maritime and Logistics Awards (MALA) 2013;
- 🏆 Allcargo's IT & CFS teams were honoured with the '**EDGE (Enterprise Driving Growth & Excellence through IT) Award**' by Information Week for the RFID Project implementation at CFS locations;
- 🏆 Allcargo's equipment division was awarded '**Best Service Provider**' by D P World consecutively for the 2nd time;
- 🏆 Allcargo's Project and Engineering division was awarded with '**Heavy Lift Mover of the Year**' at the Maritime and Logistics Awards (MALA) 2013;
- 🏆 India's leading investment journal Dalal Street in its '**Elite 100**' list of top 100 companies across India, ranked Allcargo Logistics at #91;
- 🏆 In the listing of '**The Economic Times – India's Biggest 500 Companies**', Allcargo Logistics was listed at #221 amongst the top 500 biggest companies across India. Last year Allcargo was ranked at #226;
- 🏆 Businessworld in its '**The BW Real 500**' listing ranked Allcargo 216th among India's Top 500 Non-Financial companies and also ranked Allcargo 9th among companies with most number of subsidiaries;

- ☛ Avvashya house, the corporate headquarters of Allcargo, received '**Leed India for Core & Shell Silver Rating**' from Indian Green Building Council for achieving Green Building Standards;
- ☛ Allcargo's Corporate Social Responsibility (CSR) initiatives under the Avashya Foundation was conferred with '**Corporate Social Responsibility**' at the Maritime and Logistics Awards (MALA) 2013;
- ☛ Allcargo's Executive Chairman Mr. Shashi Kiran Shetty was conferred with '**Business Leader & Visionary of the Year**' award at the Maritime and Logistics Awards (MALA) 2013;
- ☛ Maharashtra Chambers of Commerce Industry & Agriculture (MACCIA) and IBN Lokmat, conferred Mr. Shashi Kiran Shetty with '**Excellence in the Logistics, Transport and Hospitality**' Award';
- ☛ Business World in its nationwide survey ranking '**India's Most 'Value'able CEOs**' ranked Mr. Shashi Kiran Shetty at 61st position amongst the top performers in the country.
- ☛ Mr. Shashi Kiran Shetty was conferred with '**Business Leader of the Year**' by CHEMTECH Foundation at the 'Leadership Excellence Award 2014';
- ☛ Ms. Shantha Martin, CEO – ISC, Middle East, Africa (S&E) was conferred '**CEO of the Year**' award at the International Women's Leadership Forum's Women's Leadership & Innovation Awards, 2014;.

Your Company believes that winning of such recognitions was due to the hard work, passion and spirit of team work of the employees and thoughtful leaders, whose novel thinking and innovative approach have led them to attain excellence in their field. These awards are a testimony to the commitment to the stakeholders of the Company and seamless integrated logistics solutions.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and that of Articles of Association of the Company, Mr. Kaiwan Kalyaniwalla and Mr. Umesh Shetty, Directors of the Company, retire by rotation at this Annual General Meeting. Being eligible, they offer themselves for re-appointment. The Board recommends their re-appointment.

In accordance with the provision of the erstwhile provisions of the Companies Act, 1956 and that of Articles of Association of the Company, Mr. Keki Elavia and Mr. Hari Mundra, Non-Executive Independent Directors, retire at the ensuing Annual General Meeting. The Company has received notices in writing from members proposing Mr. Keki Elavia and Mr. Hari Mundra for appointment as Independent Directors of the Company for a fixed term of 5 years upto March 31, 2019. The Board recommends their appointment at the ensuing Annual General Meeting.

Mr. Mohinder Pal Bansal and Prof. Jayaraman Ramachandran were appointed as Non-Executive Independent Directors of the Company liable to retire by rotation in accordance with the provision of the erstwhile provisions of the Companies Act, 1956. The Company has received notices in writing from members proposing Mr. Mohinder Pal Bansal and Prof. Jayaraman Ramachandran for appointment as Independent Directors of the Company for a fixed term of five years upto March 31, 2019. The Board recommends their appointment at the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resume of directors seeking appointment and re-appointment as required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, are included in the Corporate Governance Report annexed to this Annual Report.

AUDITORS

M/s B S R & Co.LLP, Chartered Accountants, Mumbai (ICAI Registration No. 101248W), and M/s. Appan & Lokhandwala Associates, Chartered Accountants, Mumbai, (ICAI Registration No. 117040W) the Statutory Auditors of the Company, retire at the conclusion of this Annual General Meeting. M/s B S R & Co.LLP and M/s Appan & Lokhandwala Associates, being eligible, have expressed their willingness for re-appointment at the ensuing Annual General Meeting,

The Company has received letters from M/s B S R & Co.LLP and M/s Appan & Lokhandwala Associates, to the effect that their appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013. The Audit Committee and Board of Directors recommend re-appointment of M/s B S R & Co.LLP and M/s Appan & Lokhandwala Associates, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Notes on Financial Statements referred to in the Auditors' Report are self explanatory and do not call for any further comments.

INTERNAL AUDIT

The Company has an adequate internal audit system implemented by an in-house department and supported by independent Chartered Accountant firms to carry out audit of various branches and functions of the Company and its subsidiaries.

Systems, procedures and processes are being upgraded / implemented to further strengthen the existing internal control measures, procedures and processes to increase operational efficiencies and to safeguard the Company from any fraud, misrepresentation and non-compliance with statutory requirements.

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 thereunder.

CREDIT RATING

Your Company continues to have highest domestic credit rating for its long term and short term credit facilities obtained from various Banks. CRISIL has re-affirmed AA-/Stable for its long term debt and A1+ for its short term debt. The rating denotes high degree of safety regarding timely servicing of financial obligation.

SAFETY, HEALTH AND ENVIRONMENT

Your Company believes in safety and health enrichment of its employees and committed to provide a healthy and safe workplace for all its employees at each work location. Successfully managing Health & Safety risks is an essential component of our business strategy. The Company has identified Health & Safety risk arising from its activities and has put proper systems, processes and controls mechanism to mitigate them.

The Company has been taking various safety and welfare measures to protect its employees, equipments and other assets from any possible loss and / or damages. To implement such safety and welfare measures, the Company has formulated various policies such as Drug & Alcohol Policy, Occupational Health Policy, Driver & Vehicle Safety Policy, Mobile Telephone Policy, Smoking Policy etc.

The Equipment Hire Division is OHSAS compliant and a member of the globally recognized Lifting Equipment Engineers Association (LEEAA, UK) and ISO certified. All Custom Freight Station (CFS) / Inland Container Depot (ICD) are certified for Occupational Health & Safety Management Systems (OHSAS)

The following safety measures are being taken at various locations:

- ✓ Fire & Safety drills are conducted for all employees and Security personnel.
- ✓ All Fire hydrants are monitored strictly, as the preparedness for fire emergency.
- ✓ All equipments are tested periodically to verify its safe load working condition. Fitness certificates are issued based on the compliance of the safety norms.
- ✓ Safety Awareness Campaign, Safety week, Environment day are being held / celebrated at each location to improve the awareness of employee.
- ✓ Regular training/skills to staff, and contractors, to inculcate importance of safety among them.
- ✓ Created checks and awareness among drivers about negatives of alcohol and drug consumptions and impact of families.
- ✓ Accident prone routes identified and supervisors allocated have control over the vehicle movement.
- ✓ OHSAS audits and Fire & Safety audits are conducted by competent agencies at regular intervals.
- ✓ Fortnightly visit by Doctors to office for medical counseling to employees.
- ✓ HazMat training is provided to all CFS employees.
- ✓ Terrorist Threat Awareness Training is provided to CFS employees
- ✓ Medical Health check-up of all employees are conducted at regular intervals
- ✓ CCTV & Safety alarms are installed at each locations
- ✓ All equipments are mandatory ensured with PUC.
- ✓ Each equipment is put through comprehensive Quality Audit & Testing to ensure strong compliance to Maintenance, Safety and Reliability aspects as per specifications by various OEMs.
- ✓ Green initiatives are taken at various locations to protect the environment.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has committed itself to making a difference in the lives of underprivileged and economically challenged citizens of our country. Allcargo's Corporate Social Responsibility (CSR) initiatives, through 'Avashya Foundation' a non profit organization and in collaboration with various NGOs across India, believes in nurturing inclusive development with a human touch. Your Company's CSR activities focus is to take each initiative beyond philanthropy and promote people centric inclusive development with the active participation of the community at all levels. Allcargo's CSR initiatives aim to support:

Natural Disaster Relief by providing immediate and life essential supply of water, food and medicine to regions of India effected by natural disasters such as drought, flood, earthquakes, and other calamities.

Health Care by providing critical medical assistance for curative and preventive health care. Essential and life saving medicines and medical treatment are being made available to all underprivileged and economically challenged section of the society across rural and urban regions of India.

Education for children and adults across the underprivileged and economically challenged sections of the rural as well as urban society. Created a platform for financial assistance, student's scholarships & adoption programs, parents awareness campaigns and education support infrastructure.

Women Empowerment by providing a platform for all women across the varied sections of the society for making a better living through education, skills development and employment programs, to support themselves and their families.

Environmental Sustainability by focusing on creating awareness towards sustainable environmental practices in terms of infrastructure development, alternative energy, conservation of resources and training people to be more conscious, responsible and accountable to the environment.

As required under the Companies Act, 2013, your Board has constituted the Corporate Social Responsibility (CSR) Committee. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

For more details on CSR activities of the Company, members are requested to read the Corporate Social Responsibility Section of this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the 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) the Directors 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 March 31, 2014 and of the profit of the Company for the year ended on that date;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) the Directors 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 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, Practicing Company Secretaries, confirming compliance with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed and forms a 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 the report on Corporate Governance.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual 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 Companies Act, 1956 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: June 12, 2014

ANNEXURE 1

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	
	March 31, 2014	March 31, 2013
Electricity		
Through purchases		
Purchased units	2,670,586.06	2,781,699.71
Total amount (₹)	2,7840,645.92	30,133,603.60
Rate / Unit (₹)	10.42	10.83
Through diesel generator		
Units generated	505,714.05	846,064.00
Total amount (₹)	9,723,545.00	12,674,164.40
Cost / unit	19.23	14.98
Through Solar Power:		
Units generated	744,160.10	199,359.00
Total amount (₹)	NA	NA
Cost / unit	NA	NA

TECHNOLOGY ABSORPTION:

Last year, your company has initiated an IT transformation program called Project TOPAZ at its global subsidiary (ECU Line) wherein the entire business applications platform will get upgraded. The key objective of Project TOPAZ is to standardize information across various operations within ECU Line, bring in tools that will help us operate more cohesively and leverage technology to improve our operational efficiencies. The cornerstones of this ambitious project are Growth, Efficiency and Innovation. This project will help us achieve our objective of ONE ECU WAY of doing business with the best-in-class systems in place. With a centralized system, we will be able to achieve greater visibility across sales, operations and financials to enhance end-user productivity and effectively make faster and better management decisions.

This transformation project for the NVOCC vertical is now nearing completion. TOPAZ comprises of multiple modules (CRM, Finance and Operations). The product is currently undergoing unit testing and after successful completion of system integration testing and user acceptance testing, the product will be first deployed at UK office followed by Singapore.

During the period under review, your company has also taken following new initiatives towards technology up-gradation.

- Expense Management System Implementation:**

A new expense management and spend governance system was implemented across all business verticals. The system is well integrated with our financial accounting system. All purchase orders, employee reimbursements, project advances etc are now handled via this application which has been configured based on established DOA (Delegation of Authority). The system workflows and easy referencing of scanned documents provide a clear audit trail of each approval and this is a first step towards achieving a paperless office.

- Financial Consolidation Software Implementation:**

Preparation and maintenance of financials of Indian as well as Overseas subsidiaries, joint ventures and associates companies and consolidation thereof with the financial of the Company within the time bound manner and complying with all laws applicable for preparation, maintenance and consolidation of financials is a mammoth task. To cater this requirement and to further improve accuracy in disclosure of financials information, the Company has procured new financial consolidation tool and successfully deployed which has replaced the existing systems of maintaining financials across all companies. This tool will cover accounts finalization and multi-level consolidation for JVs, subsidiaries and various Business Units of the Company. Consolidation is a complex process and the product will now provide a detailed audit trail and reconciliation validation points at the consolidation level.

- **Project CORAL - CRM (Customer Relationship Management):**

Project CORAL - CRM (Customer Relationship Management) implementation has been deployed across all business verticals of the Company. The project implementation comprised of 4 sprints or tracks

Sprint 1: LTO (Lead to Order) process

Sprint 2: Marketing (Campaign Management, Competition Tracking, KAM and Cross Sell). The KAM (Key Account Management) track will be implemented in the new financial year.

Sprint 3: Sales Planning

Sprint 4: Post Sales

All the 4 tracks are live and we have now setup a BMO (Benefits Management Office) to track KPIs for each of the sprint listed above.

- **Project ONYX – CFS & ICD Software implementation:**

The legacy software (CFSMS) deployed at our CFS locations was replaced with a new modern system which is tightly integrated with the financial accounting system. We had engaged a specialist firm to do a complete business process mapping exercise after which a formal RFP was floated to seek vendor proposals. The new application handles all operational activities at the CFS locations and it has extensive reporting capabilities including auto mail features.

- **Project ONYX – Projects division:**

The Company is in process of developing business process mapping activity for our projects division and a solutions blueprint has now been compiled for a new system deployment. This project will be taken up for implementation in 2015.

- **Video Conferencing facility:**

A Video Conferencing facility has been setup at the Corporate office, at Equipment Division in Panvel, at CFS (Mundra, Chennai and JNPT) and at Gurgaon office. This facility helps the users at these locations to collaborate both internally and externally and this facility was extensively used for new systems deployment.

- **Disaster/Recovery (DR):**

Our primary data centre is hosted at Koparkhairane and we have our DR (Disaster Recovery) site at Hyderabad. Data for all our production applications now gets replicated between these two locations and the IT team regularly undertakes trails for various applications to check business continuity preparedness in the event of a major disaster.

- **Compliance System Software:**

With a view to further enhance corporate governance measures and also to ensure timely compliance of various acts, rules and regulations applicable to your Company, a system software was procured during the year under review. The system captures all compliances that a business unit or as a Company need to be complied with in time bound manner and ensure compliance thereof. The Company has implemented the system software on trial run basis after imparting necessary trainings the system software will be implemented at all levels to ensure due compliances.

- **Emerging technologies:**

Your organization regularly reviews new emerging technologies that come up in the market and undertakes pilot projects / proof of concepts to consider adoption. The IT team has trialed solutions in the space of mobile device management, data leakage prevention, hand held terminals, etc and these will be deployed in production environment once necessary due diligence is completed.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakhs)

Particulars	For the Year Ended	
	March 31, 2014	March 31, 2013
Total Foreign Exchange Outgo	10,639	12,013
Total Foreign Exchange Earned	9,648	10,370

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 has 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.

The following table sets forth the particulars of stock options granted (after giving effect of sub-division) under Allcargo ESOP-2006 as on March 31, 2014:

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 ₹ 2/- per option being the face value of equity share after sub-division.	The stock options granted have been re-priced at ₹ 2/- per option being the face value of equity share after sub-division
Options vested	N.A	N.A
Options exercised	Nil	5,000
The total number of equity shares arising as a result of exercise of options	Nil	5,000
Options lapsed/expired	Nil	25,000
Variation of terms of options	Nil	Nil
Money realized by exercise of options	Nil	10,000
Total number of options in force	Nil	Nil
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')	₹ 4.5	₹ 4.5
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.	Not Applicable	Not Applicable
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

Particulars	Series I (Pre-Listing)	Series II (Post Listing)
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.	₹ 685.88	₹ 786.95

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. The ESOP Scheme had a validity period of 7 years from the date of its formation and accordingly has expired on January 11, 2013. Pursuant to the closure of ESOP Scheme and consequential lapse of unexercised option, the Company has credited a sum of ₹ 39 Lakhs to the profit and loss account for the year ended March 31, 2014, 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.

DIRECTORS' REPORT

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 MARCH 31, 2014

(₹ in Lakhs)

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 not dealt with in account of holding company:	
							For the financial year ended on March 31, 2014	For the previous financial years of the subsidiary since it became a subsidiary i.e. Upto March 31, 2013
1	Hindustan Cargo Ltd.	31-Mar-14	Allcargo Logistics Ltd.	100	₹ 10	250,000	105	1,155
2	Contech Transport Services Pvt. Ltd.	31-Mar-14	Allcargo Logistics Ltd.	100	₹ 100	10,000	(3)	81
3	Ecu Line (India) Pvt. Ltd.	31-Mar-14	Allcargo Logistics Ltd.	100	₹ 10	10,000	1	(2)
4	Allcargo Shipping Co.Pvt.Ltd.	31-Mar-14	Allcargo Logistics Ltd.	100	₹ 10	10,000	132	(574)
5	South Asia Terminals Pvt.Ltd.	31-Mar-14	Allcargo Logistics Ltd.	51	₹ 10	3,327,750	(78)	(388)
6	Southern Terminals & Trading Pvt. Ltd.	31-Mar-14	Allcargo Logistics Ltd.	100	₹ 10	10,000	11	217
7	AGL Warehousing Pvt. Ltd.	31-Mar-14	Allcargo Logistics Ltd.	100	₹ 10	10,000	(112)	(372)
8	Allcargo Logistics Park Pvt.Ltd.	31-Mar-14	Allcargo Logistics Ltd.	51	₹ 10	3,867,840	71	(206)
9	Ecu International (Asia) Pvt. Ltd.	31-Mar-14	Ecu Hold NV	100	₹ 10	52,341	1	26
10	Comptech Solutions Pvt.Ltd.	31-Mar-14	Contech Transport Services Pvt. Ltd.	48.28	₹ 10	700,000	12	(20)
11	Amfin Consulting Pvt. Ltd.	31-Mar-14	Contech Transport Services Pvt. Ltd.	100	₹ 100	1,000	9	171
12	Transindia Logistic Park Pvt Ltd.	31-Mar-14	Allcargo Logistics Ltd.	70	₹ 10	8,400	(295)	(379)
13	Combi Line Indian Agencies Pvt. Ltd.	31-Mar-14	Allcargo Logistics Ltd.	98.95	₹ 100	3,019	(3)	(11)
14	HC Logistics Ltd.	31-Mar-14	Hindustan Cargo Ltd.	100	₹ 10	50,000	-	-
15	Credo Shipping Agencies (I) Pvt. Ltd.	31-Mar-14	Hindustan Cargo Ltd.	100	₹ 10	10,000	-	-
16	Ecu Line Abu Dhabi LLC	31-Mar-14	Ecu Hold NV	76	AED 1500	75.5	36	332
17	Ecu-Line Algeria sarl	31-Mar-14	Ecu Hold NV	100	DZD 1000	1,000	117	99
18	Ecu Logistics SA	31-Mar-14	Ecu Hold NV	100	ARS 1	16,000	12	87
19	Ecu-Line Australia Pty.Ltd.	31-Mar-14	Ecu Hold NV & Integrity Enterprises Pty Ltd.	100	AUD 1	60,000	394	133
20	Ecuhold NV	31-Mar-14	AGL NV	100	EURO 19.55	160,546	(346)	22,877
21	Allcargo Belgium N.V.	31-Mar-14	Allcargo Logistics Ltd.	100	EURO 1000	11,500	(729)	(623)
22	Ecubro N.V.	31-Mar-14	Ecu Hold NV & Ecu-Line N.V.	100	EURO 743.81	105	-	(120)
23	Ecu International N.V.	31-Mar-14	Ecu Hold NV & Ecu-Line N.V.	100	EURO 24.80	167,889	168	(1,543)
24	Ecu-Tech BVBA	31-Mar-14	Ecu Hold NV & Ecu International N.V.	100	EURO 24.79	750	(59)	(173)
25	Ecu-Line N.V.	31-Mar-14	Ecu Hold NV & Ecu International N.V.	100	EURO 1278.10	2,771	459	1,499
26	Ecu-Logistics N.V.	31-Mar-14	Ecu Hold NV	100	EURO 24.79	27,750	(375)	(192)
27	AGL N.V	31-Mar-14	Allcargo Belgium NV	100	EURO 1646.69	19,917	(10)	(745)
28	HCL Logistics nv	31-Mar-14	Ecu Hold NV & Ecu International N.V.	100	EURO 10	40,000	(124)	(139)
29	Ecu Global Services NV	31-Mar-14	Ecu Line NV & Ecu International N.V.	100	EURO 11.60	2,202,047	284	(2,201)
30	Ecu Logistics do Brasil Ltd.a	31-Mar-14	Ecuhold N.V.	100	BRL 1	54,500	(883)	(573)
31	Flamingo Line do Brasil Ltd.a	31-Mar-14	Ecu Logistics do Brasil Ltda	100	BRL 1	50,000	(3)	(312)
32	Ecu Line Bulgaria EOOD	31-Mar-14	Ecu Hold NV	100	BGN 50	100	19	(80)
33	Ecu-Line Canada Inc.	31-Mar-14	Ecu Hold NV	50	CAD 1	50	(5)	(74)
34	Ecu Line Chile S.A.	31-Mar-14	Ecu Hold NV & Ecu International N.V.	100	CLP 100000	300	(16)	594
35	Cargo Freight Station S.A.	31-Mar-14	Ecu Hold NV	50	CLP 1000	10,800	41	71
36	Flamingo Line Chile S.A	31-Mar-14	Ecu Hold NV & Ecu International N.V.	100	CLP 1000	1000	(3)	9
37	Ecu Line Guangzhou Ltd.	31-Mar-14	Ecu Line Hong Kong Ltd.	100	HKD 1	5,990,000	193	(231)
38	Ecu Line De Colombia S.A.	31-Mar-14	Ecu Hold NV	100	COP 1000	369,102	110	(24)
39	Conecli International S.A.	31-Mar-14	Ecu Hold NV	100	CRC 200	100	112	51
40	Ecu Line Middleeast LLC	31-Mar-14	Ecu Hold NV	86	AED 1090	258	347	3,630
41	Eurocentre FZCO	31-Mar-14	Ecu Hold NV	84.62	AED 100000	11	71	927
42	Ecu Line Del Ecuador S.A.	31-Mar-14	Ecu Hold NV	100	USD 4	2,500	148	156
43	Flamingo Line del Ecuador S.A.	31-Mar-14	Ecu Hold NV	100	USD 5	800	9	26
44	Ecu Line Egypt Ltd.	31-Mar-14	Ecu Hold NV	100	EGP 500	200	310	40
45	Flamingo Line El Salvador SA de CV	31-Mar-14	Ecu Hold NV	100	USD 10	200	4	9
46	Ecu-Line Germany GmbH	31-Mar-14	Ecu Hold NV	100	EURO 511.29	26,092	212	1,022
47	ELWA (Ghana) Ltd.	31-Mar-14	Ecu Hold NV	100	GHC 10.50	10,000	41	56
48	Flamingo Line Guatemala S.A.	31-Mar-14	Ecu Hold NV	100	GTQ 100	60	6	30
49	Ecu-Line Hong Kong Ltd.	31-Mar-14	Ecu Hold NV	100	HKD 1	1,500,000	697	1,123
50	Ecu International Far East Ltd.	31-Mar-14	Ecu Hold NV	100	HKD 1	10,000	(79)	564
51	Ecu Line Italia srl	31-Mar-14	Ecu Hold NV	100	EURO 1	59,997.60	5	795
52	Ecu Line Cote d'Ivoire Sarl	31-Mar-14	Ecu Hold NV	100	XOF 10000	8,500	41	(84)
53	Ecu Line Japan Ltd.	31-Mar-14	Ecu Hold NV	65	JPY 50000	390	129	(130)
54	Jordan Gulf for Freight Services	31-Mar-14	Ecu Hold NV	100	JOD 1	50,000	95	128

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 MARCH 31, 2014

(₹ in Lakhs)

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 not dealt with in account of holding company:	
							For the financial year ended on March 31, 2014	For the previous financial years of the subsidiary since it became a subsidiary i.e. Upto March 31, 2013
55	Ecu Line Kenya Ltd.	31-Mar-14	Ecu Hold NV	82	KES 5000	656	34	221
56	Ecu Shipping Logistic (K) Ltd.	31-Mar-14	Ecu Line Kenya Ltd.	99.99	KES 1000	999	(2)	5
57	Ecu-Line (Johor Bahru) Snd. Bhd.	31-Mar-14	Ecu Hold NV	100	MYR 1	600,000	25	28
58	Ecu-Line Malta Ltd.	31-Mar-14	Ecu Hold NV	100	MTL 1	5,000	-	-
59	Ecu Line Mediterranean Ltd.	31-Mar-14	Ecu Hold NV	55	CYP 1	2,750	6	20
60	CELM Logistics S.A. De C.V.	31-Mar-14	Ecu Hold NV	100	MXP 1	50,000	201	(121)
61	Ecu Logistics de Mexico SA de CV	31-Mar-14	Ecu International NV	100	MXP 1	50,000	241	334
62	Ecu Line Maroc S.A.	31-Mar-14	Ecu Hold NV	100	MAD 100	5,000	133	308
63	Ecu-Line Rotterdam BV	31-Mar-14	Ecu Hold NV	100	EURO 10	85,400	254	(332)
64	Ecu Line NZ Ltd.	31-Mar-14	Ecu Hold NV	100	NZD 1	100	104	17
65	Ecu-Line de Panama S.A.	31-Mar-14	Ecu Hold NV	100	USD 1000	25	(41)	154
66	Ecu-Line Paraguay S.A.	31-Mar-14	Ecu Hold NV	100	PYG 10 Million	5	3	5
67	Ecu-Line Peru S.A.	31-Mar-14	Ecu Hold NV	100	PEN 10	5,000	72	15
68	Flamingo Line Peru S.A	31-Mar-14	Ecu Hold NV	100	PEN 1	22,000	7	3
69	Ecu Line Philippines Inc.	31-Mar-14	Ecu Hold NV	100	PHP 10000	1,000	23	25
70	Ecu-Line Polska Sp. z o.o.	31-Mar-14	Ecu Hold NV	100	PLN 500	100	(64)	(10)
71	Ecu Line Doha W.L.L.	31-Mar-14	Ecu Hold NV	100	QAR 1000	200	66	116
72	Ecu-Line Romania SRL	31-Mar-14	Ecu Hold NV	100	RON 53	100	21	46
73	Rotterdam Freight Station BV	31-Mar-14	Ecu Global Services NV	100	EURO 10	1,800	(8)	(25)
74	Ecu Line Singapore Pte. Ltd.	31-Mar-14	Ecu Hold NV	100	SGD 1	1,498,520	171	849
75	Ecu Line South Africa (Pty.) Ltd.	31-Mar-14	Ecu Hold NV	100	ZAR 1	100	174	126
76	Ecu Line Spain S.L.	31-Mar-14	Ecu Hold NV	100	EURO 0.61	200,000	(74)	292
77	Mediterranean Cargo Centers S.L.	31-Mar-14	Ecu Line Spain S.L.	100	EURO 10	12,000	105	(651)
78	Ecu Line (Thailand) Co.Ltd.	31-Mar-14	Ecu Hold NV	57	THB 100	28,500	66	141
79	Société Ecu-Line Tunisie Sarl	31-Mar-14	Ecu Hold NV	100	TND 100	1,000	20	61
80	Ecu Uluslarasi Tas. Ve Ticaret Ltd. Sti.	31-Mar-14	Ecu Hold NV	100	TRY 125	1,200	157	85
81	Ecu-Line UK Ltd.	31-Mar-14	Ecu Hold NV	100	GBP 1	700,100	384	43
82	Deolix SA	31-Mar-14	Ecu Hold NV	100	UYU 100	10,000	(4)	-
83	DLC	31-Mar-14	Ecu International Far East Ltd.	100	UYU 1	55,600,000	27	(38)
84	ELV Multimodal C.A.	31-Mar-14	Ecu Hold NV	100	BSF 1	24,000	141	711
85	Administradora House Line C.A.	31-Mar-14	Ecu Hold NV	100	BSF 1	1,000	32	110
86	Consolidadora Ecu Line CA	31-Mar-14	Ecu Hold NV	100	BSF 1	400	-	-
87	Ecu-Line Vietnam Co. Ltd.	31-Mar-14	Ecu Hold NV	51	USD 1	51,000	109	137
88	Ecu Line Zimbabwe (Pty.) Ltd.	31-Mar-14	Ecu Hold NV	70	ZWD 1	546,000	-	-
89	Eurocentre Milan SRL	31-Mar-14	Ecu Line Italia srl	100	Euro 100	100	72	9
90	Ecu Line Switzerland GmBH	31-Mar-14	Ecu Hold NV	100	CHF 500	100	(24)	13
91	Guldary s.a.	31-Mar-14	Ecu Hold NV	100	UYU 1	100,000	2,065	1,437
92	S.H.E. Maritime Services Ltd.	31-Mar-14	Ecu Hold NV	82	GBP 0.50	5,467	96	191
93	China Consolidated Company Ltd.	31-Mar-14	Star Express Company Ltd.	100	USD 1	15,000,000	2,981	6,731
94	Star Express Company Ltd.	31-Mar-14	Ecu Hold NV	100	USD 1	15,000,000	(2)	(2)
95	CCS Shipping Ltd.	31-Mar-14	China Consolidated Company Ltd.	75	HKD 1	3	19	31
96	China Consolidation Services Shipping Ltd	31-Mar-14	CCS Shipping Ltd. (HK)	75	USD 1	750,000	-	411
97	China Consolidation Services Ltd	31-Mar-14	China Consolidation Services Shipping Ltd.	75	NA	NA	(30)	699
98	Ecu Line Lanka (Pvt.) Ltd.	31-Mar-14	Ecu International Far East Ltd.	100	LKR 10	100	23	31
99	PT Eka Consol Utama Line	31-Mar-14	Ecu International Far East Ltd.	100	IDR 100000	3,000	33	33
100	Ecu Line Czeche s.r.o	31-Mar-14	Ecu Hold NV	100	N.A	N.A	(42)	(198)
101	Translogistik International Spedition GmbH	31-Mar-14	HCL Logistics nv	90	Euro 1	22,500	11	65
102	European Customs Brokers N.V.	31-Mar-14	Ecu Hold NV	70	Euro 620	70	1	28
103	Ecu-Line Saudi Arabia LLC	31-Mar-14	Ecu Hold NV	70	SAR 10	94,500	268	60
104	Asia Line Ltd.	31-Mar-14	Allcargo Logistics Ltd.	100	Euro 100	20,131	201	(63)
105	FCL Marine Agencies B.V.	31-Mar-14	Ecu Hold NV	75	EUR 453.78	30	(4)	-
106	Prism Global LLC	31-Mar-14	Ecu Hold NV	100	USD 1	10	(1,769)	-
107	Integrity Enterprises Pty Ltd.	31-Mar-14	Ecu Hold NV	100	AUD 1	40,000	(63)	-
108	aECU-Line (Indian Ocean Islands) Ltd.	31-Mar-14	Ecu Hold NV	100	MUR1000	675	15	18
109	Econocaribe Consolidators, Inc.	31-Mar-14	Prism Global, LLC	100	USD 1	225	1,130	-
110	Econoline Storage Corp.	31-Mar-14	Prism Global, LLC	100	USD 1	75	(65)	-
111	ECI Customs Brokerage, Inc.	31-Mar-14	Prism Global, LLC	100	USD0.001	20,000	34	-
112	OTI Cargo, Inc.	31-Mar-14	Econocaribe Consolidators, Inc.	100	USD0.001	10,000	50	-
113	Ports International, Inc.	31-Mar-14	Econocaribe Consolidators, Inc.	100	USD 1	50	-	-
114	Ocean House Ltd.	31-Mar-14	Ecu Hold NV	51	VND 1	3,060,000,000	16	29

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's mission is to become a leader in the business known for pioneering solutions in logistics worldwide by creating benchmarks of quality, consistency and commitment in the integrated logistics business, creating better value for clients and for the Company through ingenuity supported by knowledge, expertise, technology and imagination, nurture long term relationships with all stakeholders through growth, trust and by delivering on promises, be a responsible corporate citizen by contributing to the society and respecting cultural sensibilities and inspiring creativity, initiative and leadership.

In the path of achieving its mission, your Company has always followed good governance practices with emphasis on business ethics and values. Trust, Integrity, Team-spirit, Leadership, Passion for Excellence, Respect for Individual and Transparency and Openness are the core values of your organization. Integrity, accountability, credibility, transparency, fairness and environmental and social responsibility are the cornerstones on which your Company's Corporate Governance philosophy rests. Good Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance objectives are met with integrity. The Company is of the view that good governance goes beyond good working results and financial propriety and is a pre-requisite to attainment of excellent performance in terms of stakeholder value creation.

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 always endeavors to be proactive in voluntarily adopting good governance practices and laying down ethical business standards both internally as well as externally. 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 with a continuous attempt to innovate in adoption of business best practices.

Your Company is compliant 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:

Your Company has a fundamentally strong Board with an optimum mix of executive and non-executive directors (more than fifty percent of the Board of Directors being Non Executive Directors) coming from diverse backgrounds to effectively contribute to the Company's decision making process by outlining strategies and lending a direction for accelerating its growth.

The composition of the Board of Directors during the year under review was in conformity with the provisions of Listing Agreements with the Stock Exchanges. As on March 31, 2014, the Board composition comprises of ten Directors, out of which seven are Non-Executive. Five out of Seven Non-Executive Directors are Independent. 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, strategy & planning 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 Executive Directors and senior management personnel of the Company and is headed by the Chairman & Managing Director who functions under the overall supervision, direction and control of the Board of Directors.

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

The composition of Company's Board and their respective Directorships based on the declarations received from them under Section 299 of Companies Act, 1956 / Section 184 of the Companies Act, 2013 as on March 31, 2014 is 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 (Chairman & Managing Director)	6	Nil	Nil
Mrs. Arathi Shetty	Promoter, Non- Executive Director	7	Nil	Nil
Mr. Adarsh Hegde	Promoter, Executive Director	7	Nil	Nil
Mr. Umesh Shetty	Promoter, Executive Director	5	Nil	Nil
Mr. Kaiwan Kalyaniwalla	Non Executive Independent Director	5	1	3
Mr. Keki Elavia	Non Executive Independent Director	8	3	3
Mr. Akhilesh Gupta	Non Executive Director nominated by Blackstone	2	Nil	Nil
Mr. Mohinder Pal Bansal	Non Executive Independent Director	3	1	Nil
Mr. Hari L. Mundra	Non Executive Independent Director	2	2	Nil
Prof. Jayaram Ramachandran	Non Executive Independent Director	4	2	4

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 subsidiary of a Public Company. In respect of promoter directors, private companies which are subsidiaries of public companies have been classified as public companies. However in respect of other directors the management has relied on the disclosures received from the respective directors under section 299 of the Companies Act, 1956 / Section 184 of the Companies Act, 2013, for classification of companies as private or public.

Only Audit Committee 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, Mr. Adarsh Hegde and Mr. Umesh Shetty 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, for such matters as permitted by law. Additional meetings of the Board are held as and when deemed necessary by the Board. Board meetings are generally held at place where the Registered Office of the Company is situated.

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. The Chairman and Managing Director appraise the Board at every meeting about the overall performance of the Company followed by presentations on business operations to the Board on a regular basis. 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. The Board also inter-alia reviews strategy and business plans, annual operating and capital expenditure budgets, investments and exposure limits, compliance report of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, review of major legal matters, minutes of the board meetings of subsidiary companies, significant transactions and arrangements entered into by unlisted subsidiary companies, adoption of quarterly / half yearly/ annual results, major accounting provisions and write offs, corporate structuring, minutes of sub-committees of the Board, information on recruitment of senior officers etc.

The important decisions taken at the Board / Committee meetings are communicated to the concerned Business Verticals / Departments promptly for their immediate action. Action Taken Report on the decisions taken/suggestions made at previous meetings is placed at the succeeding meeting of the Board / Committee for its consideration and noting. Information as prescribed under Annexure IA to Clause 49 is being made available to the Board from time to time.

REPORT ON CORPORATE GOVERNANCE

The Chairman & Managing Director along with Executive Directors are 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 under review, the Board met 5 (Five) times on April 14, 2013; May 29, 2013; August 08, 2013; November 13, 2013 and February 14, 2014.

Attendance of each Director at Board Meetings for the year 2013-14 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 August 8, 2013 (Yes / No)
Mr. Shashi Kiran Shetty	5	Yes
Mrs. Arathi Shetty	1	No
Mr. Adarsh Hegde	5	Yes
Mr. Umesh Shetty	4	Yes
Mr. Kaiwan Kalyaniwalla	4	Yes
Mr. Keki Elavia	4	Yes
Mr. Satish Gupta*	--	NA
Mr. Akhilesh Gupta	3	No
Mr. Mohinder Pal Bansal	5	Yes
Mr. Hari L Mundra	4	No
Prof. Jayaraman Ramachandran\$	4	Yes

* Resigned as Director w.e.f May 20, 2013

\$ Appointed as an Additional Director w.e.f. April 14, 2013

Profile of Directors seeking appointment / re-appointment

The Companies Act, 2013 (new Act) has introduced the provisions of independent director for the first time. Prior to introduction of Companies Act, 2013 the independent directors were being appointed as per the provisions of Listing Agreements entered into by the Company with the Stock Exchanges. Your Company has also appointed independent directors in accordance with the provisions of Listing Agreements with the Stock Exchanges. The independent directors so appointed by the Company do not have any specific term of appointment and are also subject to retirement by rotation in accordance with the Companies Act, 1956. However under the new Act, Section 149(10) & (11) states that independent Directors shall hold office for a term upto five consecutive years and shall be eligible for reappointment another term of 5 consecutive years provided they shall not hold office for more than two consecutive terms of 5 years each. Their tenure as independent director prior to commencement of the aforesaid provisions of the new Act shall not be considered for calculation of the two consecutive terms of 5 years. Further Section 149(13) and 152(6) of the new Act, exclude independent directors from the ambit of directors liable to retire by rotation. Since the Company's independent directors have been appointed under the old Act without any specific term liable to retirement by rotation, as a prudent practice, it is necessary to bring their appointment in line with the new Act by rendering them not liable to retire by rotation and restricting their tenure of appointment for a period of five years commencing from April 01, 2014. Therefore, your Company is putting forth the proposal for appointment of Mr. Keki Elavia, Mr. Hari Mundra, Mr. Mohinder Pal Bansal and Prof. Jayaraman Ramachandran, the independent directors as directors not liable to retire by rotation for a period of 5 years effective April 01, 2014 at the ensuing Annual General Meeting. Further in accordance with the Articles of Association of the Company and subject to the provisions contained in the new Act, Mr. Umesh Shetty, Executive Director and Mr. Kaiwan Kalyaniwalla, Non Executive Director are retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Brief profile of the directors seeking appointment and reappointment are as under:

MR. KEKI ELAVIA

Mr. Keki Elavia is a Non Executive Independent Director of the Company. He is a Chartered Accountant by profession having more than 40 years of rich experience in the fields of accounting, audit, finance and taxation. He was associated with M/s. Kalyaniwalla & Mistry, a Chartered Accountancy firm for a period of more than 37 years.

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 as on March 31, 2014:

Sr. No.	Name of the Company
1	Goa Carbon Limited
2	Uni Abex Alloy Products Limited
3	Dai-ichi Karkaria Limited
4	Godrej & Boyce Mfg. Co. Limited
5	Grindwell Norton Limited
6	DCB Bank Limited
7	Godrej Industries Limited
8	Tata Asset Management Limited
9	UNI VTL Precision Private Limited
10	Wonder Space Properties Private Limited

Mr. Keki Elavia holds the following Committee positions in other companies as on March 31, 2014:

Sr. No.	Name of the Company	Committee position
1	Goa Carbon Limited	Chairman – Remuneration Committee Member- Audit Committee Member – Corporate Governance Committee Member – Project Committee Member – Resource Rasing Committee
2	Uni Abex Alloy Products Limited	Chairman – Remuneration Committee
3	Dai-ichi Karkaria Limited	Member – Audit Committee Member – Remuneration Committee
4	Godrej & Boyce Mfg. Co. Ltd	Chairman – Audit Committee Member – Remuneration Committee Member – CSR Committee Member – Stakeholders Committee
5	Grindwell Norton Limited	Chairman – Audit Committee
6	DCB Bank Limited	Chairman – Audit Committee Chairman – Risk Management Committee Chairman – Fraud Reporting & Monitoring Committee Member – Capital Raising Committee Member – Nomination & Remuneration Committee Member – CSR Committee

MR. HARI L. MUNDRA

Mr. Hari L. Mundra is a Non-Executive Independent Director of the Company. He is B. A. Hon. from Bombay University and has a Post-graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad (1971). He has more than 40 years of working experience in the corporate world.

Mr. Mundra was employed with Hindustan Lever Limited, India for about 24 years till 1994, joining them as Management Trainee, Accounts in 1971. In Levers, he worked through two countries (India and Indonesia) and three businesses (Personal Products, Detergents and Exports) .He held several senior positions in the company, both in the Financial and General Management areas such as Company Treasurer and Group Commercial Controller ,Detergents.

Mr. Mundra was appointed to the Management Committee of Hindustan Lever in April 1990 as the youngest Vice President (Commercial) reporting to the Chairman and later, took over as Vice President/Executive Director in charge of the Exports business.

In January 1995, Mr. Mundra joined the RPG Group as Member of the Group Management Board in the dual capacity of the Chief Financial Officer of the Group as well as the President and Chief Executive of the Carbon Black Business.

In January 2002, Mr. Mundra joined the Wockhardt Group as Executive Vice Chairman of Wockhardt Limited, in charge of its domestic pharma business and as Vice Chairman of Wockhardt Hospitals Limited.

In September 2003, Mr. Mundra joined the Essar Group as the Deputy Managing Director & Director Finance of Essar Oil Limited, an integrated Oil & Gas major and was responsible for resurrecting, refinancing and restarting its ₹ 15,000 crore Oil refinery project which had remained closed for 5 years and for operationalising it by arranging ₹ 4,500 crore Working Capital facility. As a result, by November 2007 when Mr. Mundra retired from the Group on achieving super-annuation age, the Company had been clocking an annualized turnover of ₹ 18,000 crore / year and its market capitalization had moved up dramatically from ₹ 3,000 crore to Rs 30,000 crore.

During his over 40 years of working career, Mr. Mundra has been associated with a number of professional bodies in Finance, Taxation & Export Fields and has been an active participant at the policy making level as member of CII, FICCI, ASSOCHAM and Bombay Chamber of Commerce & Industry.

After retirement, he joined the Managing Committee of Indian Cancer Society, a non profit NGO, in 2008 as its Joint Managing Trustee and Honorary Treasurer and led its turn around while helping in its crusade against cancer for the underprivileged. As from January 2009, he has become a visiting Professor at IIM, Ahmedabad in the Finance faculty for the M.B.A students. He has also been the Group Financial Advisor to the Chairman in the Wockhardt Group from 2009 till 2013, helping them to overcome their financial crisis and to realise their potential.

Besides being a Director of the Company, Mr. Hari L. Mundra is also director on the Boards of CEAT Limited and Tata Autocomp Systems Limited. He is also the Chairman of Future Focus Infotech Pvt Ltd.

Mr. Mundra does not hold any shares of the Company.

Mr. Hari L. Mundra holds the following statutory Committee positions in other public companies as on March 31, 2014:

Sr. No.	Name of the Company	Committee position
1	Ceat Limited	Chairman – Audit Committee Member – Remuneration Committee
2	Tata Autocomp Systems Limited	Chairman – Audit Committee

MR. MOHINDER PAL BANSAL

Mr. Mohinder Pal Bansal is a Non-Executive Independent Director of the Company. Mr. Bansal is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a Bachelor's Degree from the University of Punjab. He has over 25 years of experience in M&A, strategic advisory, capital markets, portfolio company integration as well as post-acquisition performance management in India, Asia and Europe.

Mr. Bansal has significant hands-on operational experience in managing corporate entities as well as in conducting due diligence, structuring and negotiating transactions. He has advised corporates in multiple sectors including logistics, auto components, manufacturing, realty, banking, education, etc. and also advised private equity firms in India on improving the performance of their portfolio companies.

Recently he has forayed into Fund Management and has floated ₹ 125 crore SEBI AIF registered Blacksoil Realty Fund which is currently in the process of Fund raising. It has Gala family, Promoter's of Navneet and Mr. Shetty, Promoters of Allcargo Logistics as the Sponsors of the Fund.

In the last 3 years, Blacksoil Advisory LLP a boutique advisory firm, under the leadership of Mr. Bansal, has advised Navneet Publications Ltd. on INR 40 Crores investments in K-12 Techno Services and INR 70 crores acquisition of Trubore Piping Systems by Prince Pipes & Fittings Private Limited. Currently the firm is advising clients in various sectors such as real estate, Logistics, healthcare, auto component, education technology etc.

Mr. Bansal has led the negotiations with Blackstone (India) to successfully solicit a USD 60 million investment for Allcargo Logistics Ltd. Prior to this, he led the Euro 30 million acquisition of Ecuhold NV, a Belgium based logistic company, by Allcargo Logistics Ltd. In 2010 he advised Allcargo in their ₹ 120 crore China acquisition.

In 2005, Mr. Bansal acted as the sole advisor to Amforge Industries Limited in a complex USD 60 million de-merger and sale of assets to Mahindra Group. Mr. Bansal has also advised Indian corporates on various capital raising transactions including Allcargo Logistics Limited USD 30 million IPO and Bank of Punjab's Rs 20 crore IPO.

Mr. Bansal does not hold any shares in the Company.

Besides being a Director of the Company, Mr. Bansal holds directorships in the following companies:

Sr. No.	Name of the Company
1	Navneet Education Ltd
2	Amfin Securities Pvt.Ltd
3	Ecu International (Asia) Pvt.Ltd.
4	Girik Wealth Advisors Pvt.Ltd.
5	Transindia Logistic Park Pvt.Ltd.
6	Dujon Commercial Pvt.Ltd.
7	K12 Techno Services Pvt.Ltd.
8	Mumbai K-12 Techno Services Pvt.Ltd.

Mr. Bansal is Chairman of Audit Committee of Navneet Education Limited as on March 31, 2014:

PROF. JAYARAMAN RAMACHANDRAN:

Professor J. Ramachandran is a Non-Executive Independent Director of the Company. A qualified Chartered and Cost Accountant, and a Fellow of the Indian Institute of Management Ahmedabad, Professor Ramachandran is a Professor of Strategy at the Indian Institute of Management Bangalore. His research focuses on the growth and governance challenges of business groups, multinational corporations and creative firms. His work has been published in the Harvard Business Review, Strategic Management Journal, Global Strategy Journal, Journal of Product Innovation Management, Advances in International Management, Best Paper Proceedings of the Academy of Management USA, IIMB Management Review, Vikalpa and Economic and Political Weekly.

Professor Ramachandran is the first Bain Fellow in India and the recipient of the 2012 IMD FDC Award from the Academy of Management USA; the Tata Steel-IIMB award for best case on corporate social responsibility; best case awards from the European Foundation for Management Development [EFMD], Association of Management Development Institutions in South Asia [AMDISA], The Central and East European Management Development Association [CEEMAN], and Association of Indian Management Schools [AIMS] as well as best teacher awards at IIM Bangalore.

Prof. Ramachandran does not hold any shares in the Company.

Besides being a Director of the Company, Prof. Ramachandran holds directorship in the following companies as on March 31, 2014:

Sr. No.	Name of the Company
1	Redington (India) Limited
2	Aditya Auto Products And Engineering (India) Private Limited
3	Reliance Communications Limited
4	Reliance Infratel limited
5	Sasken Communication Technologies Limited
6	Aquarius Investment Advisors (India) Private Limited
7	MVP Group International Inc, USA.
8	Indofil Industries Limited
9	Antrix Corporation Limited

Prof. Ramachandran holds the following Committee positions in other companies:

Sr. No.	Name of the Company	Committee position
1	Redington (India) Limited	Audit Committee – Member Shareholders' & Investors Grievance Committee – Chairman Compensation Committee – Chairman ESOP Share Allotment Committee - Member
2	Reliance Communications Limited	Audit Committee – Member Shareholders' & Investors Grievance Committee – Member Nomination/ Remuneration Committee – Chairman ESOS Compensation Committee - Chairman
3	Reliance Infratel Ltd	Audit Committee – Member Remuneration Committee – Member
4	Sasken Communication Technologies Limited	Audit Committee – Member Shareholders' & Investors Grievance Committee – Chairman Compensation Committee – Chairman Strategy Review Committee – Chairman Technology Capabilities & HR Committee - Member

MR. KAIWAN KALYANIWALLA

Mr. Kaiwan Kalyaniwalla is a Non-Executive Independent Director of the Company. He is a Solicitor and Advocate of the Bombay High Court and a Partner of the law firm of M/s. Maneksha & Sethna in Mumbai. He has been in practice for over 26 years. Mr. Kalyaniwalla is enrolled as a Solicitor of the Supreme Court of England and Wales. He is on the board of various Indian and foreign companies and advises private sector corporates, multinational banks, transport and logistics companies and some of India's largest property development companies and business houses. His practice is predominantly in the field of corporate laws, property laws, tax laws and general commercial laws. Mr. Kalyaniwalla has been an active member of the Managing Committee of the Bombay Incorporated Law Society.

Mr. Kalyaniwalla holds 50,175 equity shares constituting 0.04% of the total paid up capital of the Company.

Besides being a Director of the Company, Mr. Kalyaniwalla is also director of the following companies as on March 31, 2014:

Sr. No.	Name of the Company
1	Synchro Investments Private Limited
2	Bombay Metals & Alloy Manufacturing Co. Private Limited
3	Iron and Metal Traders Private Limited
4	Transindia Logistic Park Private Limited
5	The Bombay Incorporated Law Society
6	Hindustan Cargo Limited
7	Forbes & Company Limited
8	Gokak Textiles Limited
9	Gokak Power & Energy Limited
10	Ecuhold NV
11	Armada D1 Pte. Ltd.
12	Armada D7 Pte. Ltd.

Mr. Kalyaniwalla holds the following Committee positions in other companies as on March 31, 2014:

Sr. No.	Name of the Company	Committee position
1	Hindustan Cargo Limited	Member – Remuneration Committee
2	Forbes & Company Limited	Chairman – Shareholder & Investor Grievance Committee Member – audit Committee
3	Gokak Power & Energy Limited	Member – Audit Committee
4	Gokak Textiles Limited	Member – Compensation/Remuneration Committee Member – Audit Committee

Mr. UMESH SHETTY:

Mr. Umesh Shetty is an Executive Director of the Company. He holds a Bachelor of Commerce degree and has a wide and rich experience of more than 22 years in the fields of Equipment Hiring, Cargo Handling and Transport Logistic business. Mr. Umesh Shetty started his career with M/s. Transindia Freight Services Private Limited (TFSP), a company engaged in the business of hiring of material handling equipment and transportation of container and general cargo, car and equipment hiring and investments.

Mr. Umesh Shetty holds 950,770 equity shares constituting 0.75% of the total paid up capital of the Company.

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

Sr. No.	Name of the Company
1	Alltrans Logistics Private Limited
2	Indport Maritime Agencies Private Limited
3	Transindia Freight Services Private Limited
4	Allcargo Shipping Co. Private limited
5	Ecu Line (India) Private Limited
6	AGL Warehousing Private Limited
7	Southern Terminal & Trading Private Limited
8	Ecu International (Asia) Private Limited
9	Ecu Line Algeria srl
10	Ecu Line Mediterranean Ltd
11	Gantoni General Entertainment Ltd
12	Ecu Line Egypt Ltd
13	Ecu Line Hong Kong Ltd
14	Ecu International Far East Ltd
15	Ecu Line Italia srl
16	Euro Centre Milan srl
17	Ecu Line Japan Ltd
18	Ecu Shipping Logistics (K) Ltd
19	Ecu Line Kenya Ltd
20	Ecu Line Malta Ltd
21	Ecu Line Rotterdam Ltd
22	Ecuhold NV

3. COMMITTEES OF THE 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 extant regulatory requirements. 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 meetings 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.

During the year, the Board had the following committees, viz.

1. Audit Committee
2. Strategy and Remuneration Committee (previously known as Compensation / Remuneration Committee)
3. Share Transfer / Investors' Grievance Committee
4. Executive Committee
5. Share Allotment Committee (dissolved w.e.f February 14, 2014)
6. Finance and Investment Committee

7. Buyback Committee (dissolved w.e.f May 29, 2013)
8. NVOCC De-merger Committee (dissolved w.e.f February 14, 2014)
9. Allcargo Corporate Social Responsibility 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. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company.

Terms of Reference:

- a) Overseeing the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information;
- b) Recommending appointment, re-appointment and removal of the statutory auditors and fixation of their fees;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing with management the annual financial statements before submission to the Board with special emphasis on:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- g) Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- h) Discussion with internal auditors any significant findings and follow up there on.
- i) 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.
- j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) To look into the reasons for substantial defaults in the payment to the shareholders and creditors.
- l) Reviewing, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- m) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate.
- n) 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 May 29, 2013, August 08, 2013, November 13, 2013 and February 14, 2014.

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

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	4
Mr. Mohinder Pal Bansal	Non-Executive Independent Director	4	4
Mr. Akhilesh Gupta	Non-Executive Director	4	-
Mr. Hari L. Mundra	Non-Executive Independent Director	4	3

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

Subsidiary Companies

Clause 49 of the Listing Agreement relating to Corporate Governance defines a 'material non-listed Indian Subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. The Company did not have any material non-listed Indian Subsidiary during the year under review. However, as good corporate governance measure, the Company has nominated Mr. Kaiwan Kalyaniwalla, non-executive independent director, on the Board of Hindustan Cargo Limited, Transindia Logistic Park Pvt. Ltd. and Ecuhold N.V., and Mr. Mohinder Pal Bansal, non-executive independent director, on the Board of Transindia Logistic Park Pvt. Ltd. the subsidiary companies of the Company.

The Board of Directors and Audit Committee reviews every quarter the financial statements of subsidiary companies in particular the investments made by the unlisted subsidiary companies. The minutes of the Board of Directors of subsidiary companies are placed before the Board of Directors of the Company on annual basis thereby bringing to their attention all significant transactions and arrangements entered into by the subsidiary companies.

STRATEGY AND REMUNERATION COMMITTEE:**Terms of Reference:**

The Compensation/Remuneration Committee was renamed as Strategy and Remuneration Committee at the meeting of the Board of Directors of the Company held on April 14, 2013. In the same meeting the Board also reconstituted the membership of the Committee. Pursuant to such reconstitution, the Strategy and Remuneration Committee comprises of executive, non-executive and 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, administering and monitoring ESOP Schemes of the Company, reviewing compensation levels of the Company's employees vis-à-vis other companies and industry in general. The Committee is also entrusted with the responsibility of reviewing performance of Ecuhold NV, the wholly owned subsidiary of the Company, on ongoing basis and to consider recommend and approve appointment of key managerial personnel, their terms & conditions and their remuneration. 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, as recommended by the Committee and Board of Directors and approved by the Members 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 for attending meeting of the Board of Directors and the Committees of the Board of Directors viz. 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 Members approval granted under Section 309(4)(b) of the Companies Act, 1956, at the 18th Annual General Meeting held on May 13, 2011.

REPORT ON CORPORATE GOVERNANCE

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

(Amt in `)

Name of the Director	Category	Salary, Allowances and Perquisites	Sitting Fees	Commission
Mr. Shashi Kiran Shetty	Executive Director	31,016,972	Nil	15,000,000
Mrs. Arathi Shetty	Non-Executive Director	Nil	20,000	Nil
Mr. Adarsh Hegde	Executive Director	13,446,903	Nil	7,500,000
Mr. Umesh Shetty	Executive Director	16,403,565	Nil	7,500,000
Mr. Kaiwan Kalyaniwalla	Non Executive Independent Director	Nil	145,000	2,000,000
Mr. Keki Elavia	Non Executive Independent Director	Nil	125,000	1,100,000
Mr. Satish Gupta *	Non Executive Independent Director	Nil	Nil	Nil
Mr. Akhilesh Gupta	Non Executive Director	Nil	60,000	Nil
Mr. Mohinder Pal Bansal	Non Executive Independent Director	Nil	140,000	Nil
Mr. Hari Mundra	Non Executive Independent Director	Nil	110,000	3,600,000
Prof. Jayaraman Ramachandran \$	Non ExecutiveIndependent Director	Nil	95,000	1,500,000

* Resigned as Director w.e.f May 20, 2013

\$ Appointed as an Additional Director w.e.f. April 14, 2013

The terms of appointment and remuneration of Executive Directors are contractual in nature. As per the provisions of the service contracts entered by the Company with Executive Directors, the notice period is 12 months for the Chairman and Managing Director and 3 months for Executive Directors. There is no provision for payment of severance fees. The disclosure of all the pecuniary relationships / transactions of the Non-Executive Directors vis-a-vis the Company have been disclosed under the head 'Related Party Transaction' forming part of Notes to Accounts of the Audited Financial Statement contained in the Annual Report.

Meetings of the Committee:

During the year under review, the Committee met 5 times on May 29, 2013; August 08, 2013; November 13, 2013, February 14, 2014 and March 19, 2014.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Kaiwan Kalyaniwalla - Chairman	Non-executive Independent Director	5	4
Mr. Keki Elavia	Non-executive Independent Director	5	4
Mr. Adarsh Hegde	Executive Director	5	5
Mr. Umesh Shetty	Executive Director	5	4
Mr. Akhilesh Gupta	Non Executive Director	5	0
Prof. J. Ramachandran	Non-executive Independent Director	5	4
Mr. Hari L. Mundra	Non-Executive Independent Director	5	4

SHARE TRANSFER / INVESTORS' GRIEVANCE COMMITTEE:

Terms of Reference:

The Share Transfer/Investors' Grievance Committee comprises of non-executive independent directors and an 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 and other secretarial compliances relating to share capital of the Company under the listing agreement 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 4 times on May 29, 2013, August 08, 2013, November 13, 2013, February 14, 2014.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Kaiwan Kalyaniwalla - Chairman	Non-executive Independent Director	4	4
Mr. Shashi Kiran Shetty	Executive Director	4	4
Mr. Mohinder Pal Bansal	Non-executive Independent Director	4	4

Compliance Officer:

The Board has appointed Mr. Shailesh Dholakia, Company Secretary, as the Compliance Officer for complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 and Clause 47 of the Listing Agreement with Stock Exchanges. The Company Secretary also acts as a Secretary to the Committee.

During the year under review, the Company received 10 complaints from shareholders relating to non-receipt of dividend and Annual Report and the same have been redressed to their satisfaction. No request for transfer and for dematerialization was pending for approval as at March 31, 2014. The Company has not received any complaints during the year through SEBI SCORES.

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 on lease basis for commercial purpose etc.

Meetings of the Committee:

During the year under review, the Committee met 18 times on April 3, 2013, May 4, 2013, May 27, 2013, June 17, 2013, July 9, 2013, August 5, 2013, August 7, 2013, September 4, 2013, September 21, 2013, October 10, 2013, October 21, 2013, November 13, 2013, December 03, 2013, December 19, 2013, January 03, 2014, February 03, 2014, February 28, 2014, and March 10, 2014

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Shashi Kiran Shetty - Chairman	Executive Director	18	17
Mr. Adarsh Hegde	Executive Director	18	17
Mr. Umesh Shetty	Executive Director	18	16

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 were 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 listing of the equity shares on BSE Limited and National Stock Exchange of India Limited. Since the purpose of the Committee was achieved with closure of the Allcargo Employee Stock Option Scheme, the Board dissolved this Committee at its meeting held on February 14, 2014.

Meetings of the Committee:

During the year under review, the Committee met twice on May 29, 2013 & February 14, 2014.

Composition of the committee during the year was as under:

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	2

FINANCE AND INVESTMENT COMMITTEE:

Terms of Reference:

The Finance Committee was renamed as Finance and Investment Committee at the meeting of the Board of Directors of the Company held on April 14, 2013. The Finance and Investment Committee comprises of non-executive independent directors and an executive director. The main objective of the Committee is to oversee and review the finance function of the Company, review of operational and financial performance of the Company on quarterly / half yearly / annually, mobilize the resources for meeting the fund requirements and to consider, evaluate and approve proposals pertaining to providing guarantees or providing securities for securing the financial obligations of wholly owned subsidiaries of the Company. The Committee, inter alia, reviews financial policies of the Company, risk assessment and minimization procedures, working capital and cash flow management, exercises borrowing powers, governs the foreign exchange transactions, provide guarantees / securities / letter of comfort within the limits prescribed under the Companies Act, 1956 and Foreign Exchange Management Act, 1999 ensures all statutory and regulatory compliances relating to the above and to monitor utilization of funds. The Committee is also entrusted with the function of considering and approving investment proposals of more than ₹ 50 crore, reviewing investments, recommending divestment, further investment or its restructuring in the interest of the Company.

Meetings of the Committee:

During the year under review, the Committee met 7 times on April 05, 2013, May 27, 2013, June 14, 2013, August 08, 2013, October 22, 2013, February 12, 2014 and March 05, 2014.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Mohinder Pal Bansal – Chairman	Non-executive Independent Director	7	7
Mr. Shashi Kiran Shetty	Executive Director	7	6
Mr. Keki Elavia	Non-executive Independent Director	7	6
Mr. Hari L. Mundra	Non-executive Independent Director	7	4

BUYBACK COMMITTEE:

Terms of Reference:

The Buyback Committee was constituted as an ad-hoc committee comprising of three non-executive independent directors. The main objective of the Committee was to execute and implement the decision of the Board relating to buyback of equity shares of the Company from its shareholders from the open market through stock exchanges in compliance with the provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, which

includes but not limited to appointment of Brokers, Investor Service Centre, Legal Advisor, Merchant Banker and other Agencies, opening of bank accounts, trading account, demat account, preparation, finalization and filing of the public announcement, declaration of solvency certificate, certificate for extinguishment and physical destruction of share certificates, placing orders with Brokers to buyback shares, issuing corporate action in respect of the shares in electronic mode, to propose and accept any change(s) or modification(s) in the offer and the documents connected with the said Buy-back, to propose / declare extending the offer for such period or closing of such offer, to sign, execute and deliver all documents, papers, returns, certificates, reports as may be necessary in implementation of the Buy-back offer, to review and oversee the progress made in that behalf and to update the Board of Directors.

The Company announced closure of its Buyback of shares w.e.f March 04, 2013 and accordingly the said committee was dissolved by the Board with effect from May 29, 2013.

Meetings of the Committee:

No meetings of the Committee were required to be held during the year under review, as the Committee was dissolved w.e.f. May 29, 2013.

NVOCC DE-MERGER COMMITTEE:

Terms of Reference:

The NVOCC De-Merger Committee was constituted as an ad-hoc committee comprising of three non-executive independent directors and the Director Finance. The Committee was empowered to consider and look into various aspects of the proposed de-merger of the NVOCC Business of the Company and advise the Board of Directors, including but not limited to, mode(s) of restructuring of NVOCC Business, determination of valuation of the NVOCC Business, recommending Share Entitlement Ratio, preparation of the Scheme of Arrangement and such other matters as are incidental and consequential thereto and for that purpose to appoint any consultant(s), valuer(s), advocate(s) and such other agencies as may be required. Since the proposal relating to de-merger of the NVOCC Business Division of the Company was deferred by the Board, it dissolved this Committee at its meeting held on February 14, 2014.

Meetings of the Committee:

No meetings of the Committee were held during the year under review.

ALLCARGO CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Terms of Reference:

The Allcargo Corporate Social Responsibility Committee (CSR Committee) is constituted by the Board of Directors at its meeting held on February 14, 2014 with a view to comply with the provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The Committee is constituted for discharging the following functions prescribed under the said Act:

- (i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the said Act;
- (ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (iii) monitor the Corporate Social Responsibility Policy of the company from time to time.

The said committee comprises of non executive director and non-executive independent directors.

Meetings of the Committee:

Since CSR Committee constituted in February 2014, no meetings of the Committee were held during the year under review

Composition of the committee during the year was as under:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mrs. Arathi Shetty - Chairperson	Non-executive Director	-	-
Mr. Keki Elavia	Non-executive Independent Director	-	-
Mr. Mohinder Pal Bansal	Non-executive Independent Director	-	-

4. GENERAL BODY MEETINGS

Annual General Meetings:

Location, date and time of the Annual General Meeting (AGM) held during the preceding three years and the Special Resolutions passed thereat are as follows:

Meeting	Date and Time	Venue	Special Resolutions passed
20th AGM	August 08, 2013 at 4.00 p.m.	Avashya House, 5th Floor, CST Road, Kalina, Santacruz (E), Mumbai – 400 098.	None
19th AGM	August 7, 2012 at 3.00 p.m.	Avashya House, 6th Floor, CST Road, Kalina, Santacruz (E), Mumbai – 400 098.	None
18th AGM	May 13, 2011 at 11.00 a.m.	M. C. Ghia, 4th Floor, Above Copper Chimney And Bombay Blue, K. Dubash Marg, Near Jehangir Art Gallery, Kala Ghoda, Mumbai – 400 001	Payment of commission out of profit of the Company to the Directors, who are neither in the whole time employment of the Company nor a Managing Director(s) of the Company, for a period of 5 years commencing from January 1, 2011. Alteration of Article 161 of the Articles of Association of the Company pertaining to the affixation of the Common Seal of the Company.

Postal Ballot

During the year under review, the Company was not required to pass any resolution requiring members' approval by way of Postal Ballot.

There is no other immediate proposal for passing any resolution by postal ballot this year. The Company will comply with the requirements of postal ballot as and when such matter arise requiring approval of the Members by such process as per Section 110 and other applicable provisions of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, as amended.

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 BSE Limited and 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.

During the financial year ended March 31, 2013, the Reserve Bank of India (RBI) had imposed a penalty of ₹ 10 Lakhs on the Company in connection with a suo moto compounding application filed with RBI for contravention of provisions of the Foreign Exchange Management Act, 1999 (FEMA 1999).

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 March 31, 2014.

d. Board Disclosures-Risk Management:

The Company is well aware of risks associated with its business operations and various projects under execution. Comprehensive risk management system involving identification and classification of risk, adoption of risk mitigation plans and strong mechanism to deal with potential risk and situation is in place which is being reviewed and monitored periodically to meet the regulatory and other requirements.

e. Certification from CEO and CFO:

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

f. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement and Voluntary Guidelines on Corporate Governance 2009:

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, Practising Company Secretaries, to this effect has been included in this report.

g. Status of compliance of Non mandatory requirements:**The Board**

The Chairman of the Company is an Executive Director and hence this provision is not applicable. All Independent Directors are associated with the Company for tenure less than 9 years. The Company has ensured that person who is appointed as an independent director has the requisite qualifications and experience which would enable him to contribute effectively to the Company in his capacity as an independent director.

Remuneration Committee

The Company has constituted a Strategy and Remuneration committee to consider and recommend the remuneration of executive directors and for administration and implementation of the Employee Stock Option Plan. The constitution of the Committee, its terms of reference and details of meetings held during the year under review have been discussed in this section of the Annual Report.

Shareholder Rights

The Company displays its quarterly and half yearly results on its website: www.allcargologistics.com and also publishes in widely circulated newspapers. The Company did not send half yearly results to each household of the shareholders during the year under review. In compliance with clause 54 of the Listing Agreement, the Company has maintained a functional and updated website containing basic information about the Company inter alia details of its business, financial information, shareholding pattern, corporate governance practices followed, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances.

Training of Board Members

The Board of Directors is responsible for the management and supervision of the affairs of the Company. To achieve this, board undertakes periodic review of various matters including business wise performance, risk management, borrowings & investments, internal / external audit reports, review of subsidiary companies / joint venture companies operations etc. In order to enable the directors to fulfill the governance role, detailed and comprehensive presentations are made on various businesses, business models, new initiatives, risk minimization procedures, financial performance of the Company and its key subsidiaries and joint venture companies. Any changes in domestic / overseas corporate and industry scenario including their effects on the company, statutory matters are also reported to the Board Members on a periodic basis.

Mechanism for evaluating Non-Executive Board Members

There is no policy framed for evaluation of Non-Executive Directors. However, the Board of Directors evaluates the performance of Non-Executive Directors on an annual basis considering the time spent by each of the Board Members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

Ethics and Grievance Policy (Whistle Blower)

The Company has formulated and adopted the Ethics and Grievance Policy with an object to report any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, malpractice, impropriety, statutory non-compliance or wrongdoing. This Policy expects to ensure that the employee is empowered to pro-actively bring out such instances without fear of reprisal, discrimination or adverse employment consequences. This policy covers the procedure to be followed i.e. the receipt, retention and treatment of complaints covering the areas mentioned above and the confidential, anonymous submission by employees in this regard. The said policy has been posted on the Company's intranet website.

MCA - Voluntary Guidelines 2009

The Company is committed to follow and adopt best governance practices and continuously reviews and revisit its governance practices from time to time so as to meet business and regulatory needs.

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on "Corporate Governance" in December 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance.

Some of the provisions of these guidelines are already in place as reported elsewhere in this report. The other provisions of these guidelines are being evaluated and the Company will strive to adopt the same in a phased manner.

Details of unclaimed shares in terms of Clause 5A of the Listing Agreement

In terms of Clause 5A(I) of the Listing Agreement, the Company has opened an Unclaimed Demat Account and has credited the shares allotted during the Initial Public Offer of the Company in June 2006 and which remain unclaimed as detailed hereunder:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	01 shareholder entitled for 90 equity shares of ₹ 2/- each
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	01 shareholder entitled for 90 equity shares of ₹ 2/- each
Voting Rights on these Shares	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

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 are also simultaneously displayed on the Company's website: www.allcargologistics.com. The financial results, quarterly and annual results and other statutory information were communicated to the shareholders by way of advertisement in English daily 'Economic Times', 'Business Standard' and in a vernacular language newspaper 'Lakshadeep' 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: www.allcargologistics.com.

Green Initiative:

Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies through electronic mode. Towards this, MCA has issued Circulars dated April 21, 2011 & April 29, 2011 stating that the service of notice / document by a company to its shareholders can now be made through electronic mode, subject to a few conditions.

Your Company whole-heartedly appreciates this welcome initiative taken by MCA, being an ardent supporter of pro-environment causes. Not only will such a move benefit the environment but will also enhance shareholder experience by enabling the Company to deliver communications promptly and securely and avoid losses / delays in postal transit. It is a step in the right direction being efficient both, economically and ergonomically.

As a part of this, the Company would send notices/documents such as Annual Reports and notices by e-mail to the shareholders who have registered their e-mail address. To support this laudable move of the Government, the members who have not registered their e-mail address, so far, are requested to do so at the earliest, in respect of demat holding through their respective Depository Participant (DP) and in respect of physical holding through the Registrars and Transfer Agents, M/s. Link Intime India Private Limited.

Shareholders who have not registered their e-mail address with the Company for receiving documents electronically can now register the same by clicking on the link allcargogogreen@linkintime.co.in uploaded on the Company's website: www.allcargologistics.com under Investors Relation under the heading 'Green Initiative'.

We wish to inform you that in addition to getting the documents through your registered e-mail, you can also have access to the documents through Company's website: www.allcargologistics.com. While every notice/document will be sent through e-mail address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by e-mail and the same shall be sent to your address registered with the Company/DP, free of cost.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

7. CODE FOR PREVENTION OF INSIDER TRADING:

Pursuant to the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 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

In terms of Clause 49(I)(D) of the Listing Agreement entered into with Stock Exchanges, 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.allcargologistics.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. Annual General Meeting

Day & Date	Thursday, August 07, 2014
Venue	Avashya House, 5th Floor, CST Road, Kalina, Santacruz (E), Mumbai – 400 098
Time	4.00 p.m.
Book Closure Period	Saturday, August 02, 2014 to Wednesday, August 06, 2014 (both days inclusive)

b. Financial Calendar

The Company's accounting year comprises of 12 months period from April 01, 2013 to March 31, 2014.

Tentative Calendar for financial year ending March 31, 2015:

The tentative dates of Meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2015 are as follows:

First Quarter Results ended June 30, 2014	On or before August 07, 2014
Second Quarter and Half Yearly Results ended September 30, 2014	On or before November 13, 2014
Third Quarter Results and Nine Months ended December 31, 2014	On or before February 12, 2015
Fourth Quarter and Annual Results for the year ended March 31, 2015	On or before May 30, 2015

c. Dividend Payment Date: Within 15 days from the declaration at Annual General Meeting.

d. Listing on Stock Exchanges:

The equity shares of the Company are listed and traded on BSE Limited and National Stock Exchange of India Limited.

In terms of Clause 38 of the Listing Agreement, the listing fees for the financial year ended March 31, 2015 has been paid to both the Stock Exchanges. Further, the Company has also paid the Annual Custodian Fees for the financial year ended March 31, 2015 to the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited within the stipulated time.

e. **Stock Code:**

Name of Stock Exchange	Stock Code
BSE Limited	532749
National Stock Exchange of India Limited	ALLCARGO
ISIN	INE418H01029

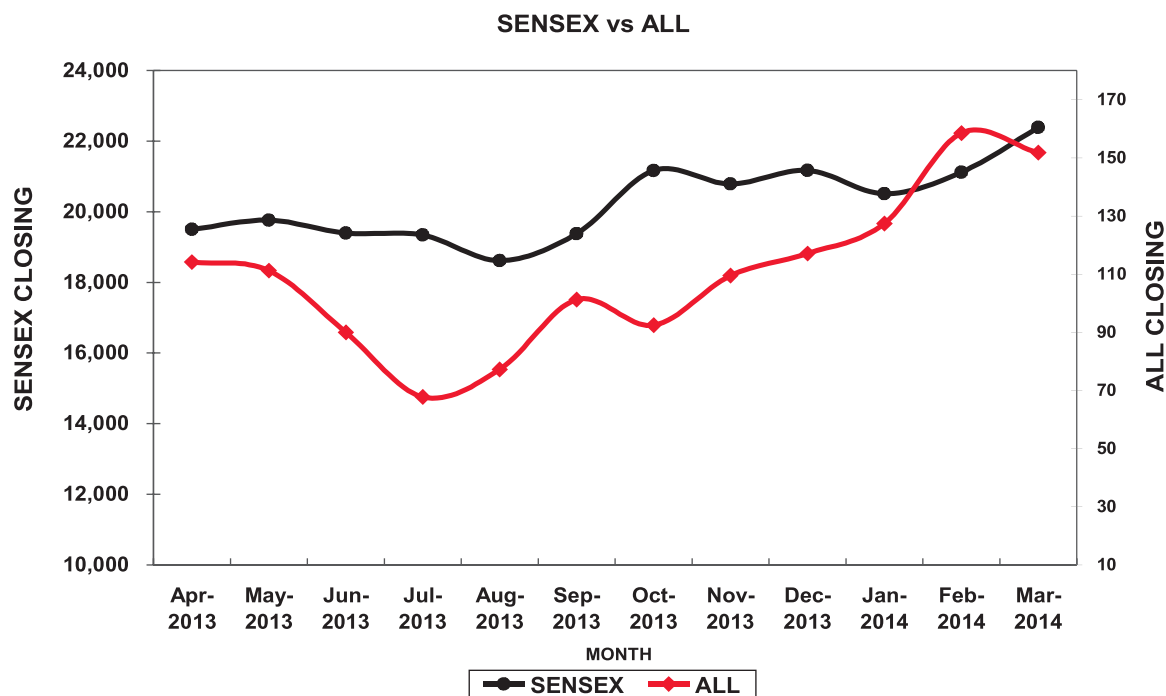
f. **Market price data**

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

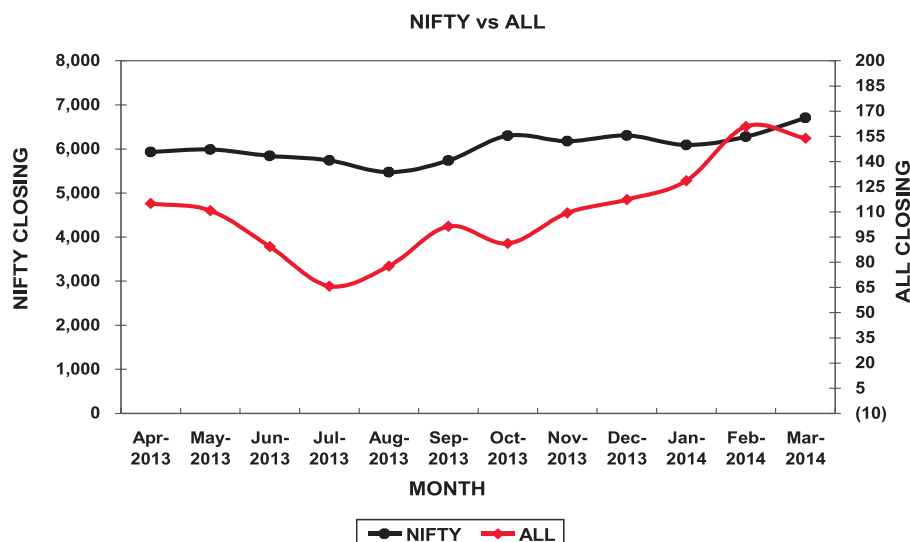
Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April – 2013	125.00	110.55	4,814	121.55	110.50	25,812
May – 2013	122.90	110.00	8,486	121.00	110.00	31,314
June – 2013	111.00	88.25	324,261	116.65	87.65	40,921
July – 2013	98.00	64.75	693,324	100.00	65.00	853,770
August – 2013	82.00	60.00	16,974	83.00	59.45	77,117
September – 2013	106.10	70.00	56,122	106.50	71.35	217,886
October – 2013	115.00	87.00	21,822	103.00	87.00	75,800
November – 2013	109.50	92.50	22,110	110.00	92.00	75,662
December – 2013	119.00	101.50	30,988	119.95	102.00	88,269
January – 2014	151.00	110.40	127,491	151.80	114.00	487,279
February – 2014	166.80	124.00	48,754	168.70	123.15	242,243
March – 2014	168.80	139.10	76,870	167.95	145.00	247,736

Source: www.bseindia.com and www.nseindia.com

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



Source: www.bseindia.com



Source: www.nseindia.com

g. 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 Company has not received any physical share transfer requests during the year under review.

h. 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 March 31, 2014, 125,993,372 equity shares of ₹ 2/- each, representing 99.96% of the Company's total paid up capital, have been held in dematerialized form.

i. E-voting facility

With a view to enable wider participation of shareholders on various important proposals, the Companies Act, 2013 and the SEBI has made it mandatory for all listed companies to provide e-voting facility in respect of all businesses to be transacted at the general meetings or through postal ballot.

In compliance with the aforesaid provisions of the Companies Act, 2013 and circulars of SEBI, the Company has availed e-voting facility from National Securities Depository Services Ltd for providing the same to its shareholders enabling them to exercise their voting rights using such facility in respect of businesses prescribed under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges including those which are required to be transacted through postal ballot.

Accordingly, the Company is providing e-voting facility to all its shareholders for exercising their voting rights on all businesses to be transacted at the 21st Annual General Meeting scheduled to be held on August 7, 2014. In view of e-voting facility being provided, voting of show of hands will not be available to the members at the 21st Annual General Meeting in view of the provisions of Section 107 read with Section 114 of the Companies Act, 2013.

Members are requested to go through and familiarize with the e-voting process given under notes appended to the notice of 21st Annual General Meeting.

j. ADRs/GDRs/Warrants

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

k. Investor helpdesk & Registrar and Transfer Agent

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

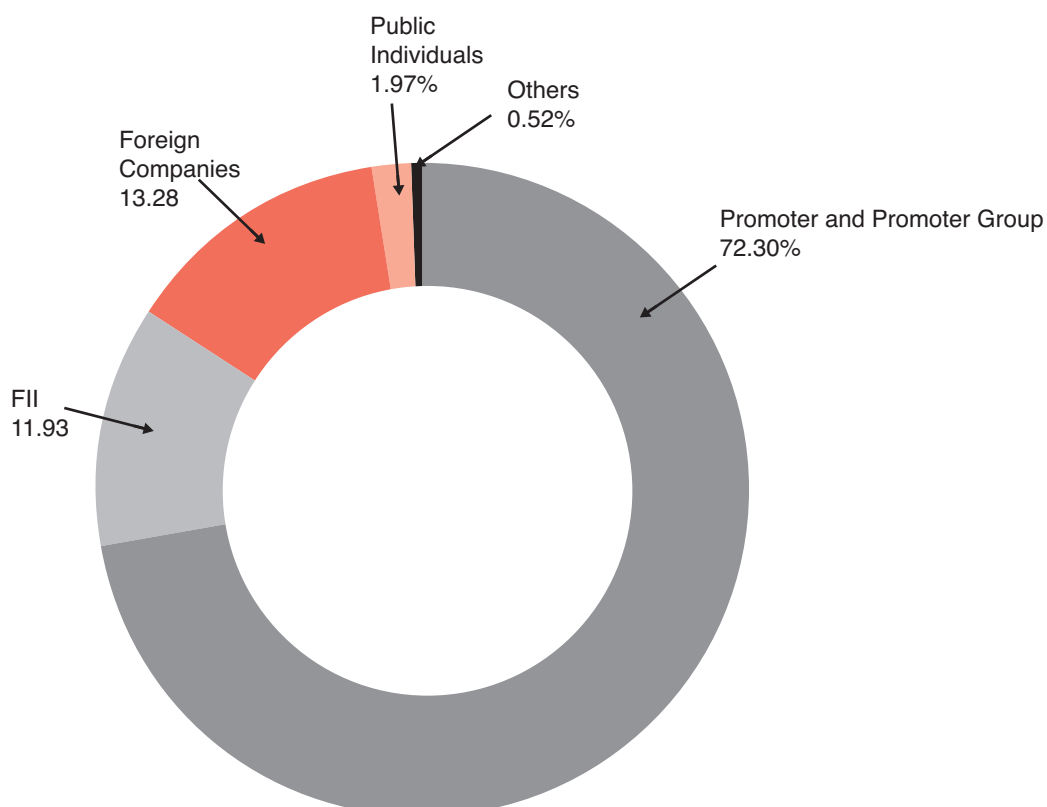
M/s. Link Intime India Private Limited Registrar and Transfer Agents Unit: Allcargo Logistics Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 Tel: 022 – 2596 3838 Fax: 022 – 2594 6969 Email: mumbai@linkintime.co.in Mr. Rajesh Mishra	Allcargo Logistics Limited Mr. Shailesh Dholakia Company Secretary & Compliance Officer 6th Floor, Avashya House, CST Road, Kalina, Santacruz (East), Mumbai – 400 098 Tel: 022 – 26675830 Fax : 022 – 66798195 Email: investor.relations@allcargologistics.com
--	--

I. Distribution of shareholding as at March 31, 2014

Shareholding (No. of Shares) (From – To)	No. of shareholders	% to No. of shareholders	No. of shares	% to No. of shares
1 - 500	5,243	90.32	540,174	0.43
501 - 1000	288	4.96	224,460	0.18
1001 - 2000	99	1.70	151,046	0.12
2001 - 3000	48	0.83	121,174	0.09
3001 - 4000	7	0.12	24,830	0.02
4001 - 5000	29	0.50	138,601	0.11
5001 - 10000	32	0.55	229,575	0.18
10001 & Above	59	1.02	124,617,902	98.87
TOTAL	5,805	100.00	126,047,762	100.00

m. Shareholding pattern as at March 31, 2014

Category of Shareholders	Number of shares	% of Shareholding
Promoter and Promoter Group	91,134,025	72.30
Foreign Company	16,735,400	13.28
Foreign Institutional Investors	15,041,535	11.93
Public Individuals	2,478,542	1.97
Bodies Corporate	190,035	0.15
Mutual Fund	331	0.00
Financial Institutions	196,289	0.16
Clearing Member	15,359	0.01
Trust	78,805	0.06
Independent Directors	55,175	0.04
Non Resident Indians	117,266	0.09
Foreign Nationals	5,000	0.00
Total	126,047,762	100.00



n. Office locations

Branches at:

Wakefield House, 1st Floor, Sprott Road, Ballard Estate, Mumbai – 400 038 Maharashtra, India	516, Siddhartha Complex, Near Express Hotel, R. C. Dutt Road, Alkapuri, Baroda – 390 005 Gujarat, India	104, Sakar – V, B/h Natraj Cinema, Off. Ashram Road, Ahmedabad 380 009 Gujarat, 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	C/o. First Freight Forwarders, 2nd Floor Port User's Complex, Harbour, Mormungoa Goa 403 803.
Off No. 247, 2nd Flr, Ganpati Plaza, M.I. Road, Jaipur – 302 001 Rajasthan, India	B-44, Shastri Nagar, Opp ST. Paul's School Near Shastri Circle Jodhpur (Rajasthan) -342 001	Krishna Tower, 3rd floor, Room no. 308, 15/63, civil line, Kanpur – 208 001 Uttar Pradesh, India
56-57, Bindra Complex, C-145 A, Phase V, Focal Point, Ludhiana – 141 010, Punjab, India	Cabin No.1, Indira Rastriya Sahakari Soc. (CONFOR) Mulund Goregaon Link Road, Near CEAT Tyre, Mulund (West), Mumbai 400 080	Local Shopping Complex Plot No 8,Vardhaman Plaza, Site No 37 -38, Kalkaji , New Delhi – 110 065, India
C/o. Euro Exim Services Pvt. Ltd., Old No.15/25, New No.3, Teachers Colony, 4th Street SAF Marine Upstairs (ASPINWALL), Kumarandapuram, 60 Ft. Road, Near Bishop High School, Tirupur 641 602.	51/15A,Muniasampuram, 2nd Street, Kamaraj Salai Tuticorin – 628 003, Tamil Nadu, India	C/o. Euro Exim Services (P) Ltd., Lakshmi Complex, 1st Floor, New Bus Stand, West Gate, Meyyanur Bye Pass, Salem 636 004.
CKBS Manian & Bros (P) Ltd. Plot No.3A, 37-11-8, Koppli Apartments, Beside Central Excise Bldg., Dwarka Nagar, 1st Lane, Visakhapatnam 530016.	Contech Transport Services Pvt Ltd 4th Floor, Avashya House, CST Road, Kalina, Santacruz (East), Mumbai – 400098 Maharashtra, India	Central Warehousing Corporation Opp. Punjab Conware, Sector 2, Dronagiri Node, Shed No.4 Paghote Village, Taluka – Uran 400 705
Kaprolli Village Taluka-Uran, Near JNPT Area District Raigad 410 212	Transindia Logistics Park Pvt. Ltd. Village-Khopta, Taluka Uran, Dist. Raigad, Near JNPT Area 410 212	No. 21, IV Floor , S.K. Vista Rustum Baugh Road Kodihalli Off Old Airport Road, Near Manipal Hospital Bangalore 560 017.
40F/306, 1st Floor, Sky Tower, Sanjay Palace Agra 282 002	Contech Transport Services Pvt. Ltd. Gautam Complex Plot No. 17 & 18, A-40, Sector 11, CBD Belapur Navi Mumbai 400 614	C/o. Joveens Logistics & Services India Pvt. Ltd. No. 1994 – 1996, Krishna Colony, Trichy Road, Ramanathapuram Coimbatore 641 005
Plot No.6, Anjaneya Nagar M M Extension Belgaum 590 016	913, Thiruvottiyur High Road, Near Wimco Nagar Rly. Stn., Ernavur, Chennai 600 057	Plot No. N-76, Phase IV Verna Industrial Estate, Verna Salcette Goa 403 722
Galaxy Automations No.1, Scheme Road, Ajwa Complex, Near Head Post Office, Dindigul 624 001	Allcargo Logistic Park Pvt. Ltd., ICD Dadri Tilpata Road, Gautam Budh Nagar, Greater Nodia 201307.	Ashoka Myhome Chambers, Flt No. 201, 2nd Floor, D.No.1-8-271,272 & 273/1-8-301 to 303 Begumpet, Hyderabad 500016
Plot No.111, 4th Floor, Sector 44, Next to Ramada Hotel, Opp. To BESTECH, Gurgaon 122003	Office No.103, First Floor, Mani Complex, Plot No. 84, Sector 8, Gandhidham 370 201.	512, Aakashdeep Plaza, 5th Floor, Golmori, Jamshedpur 831 003, Dist. Singhbhum East, Jarkhand.

REPORT ON CORPORATE GOVERNANCE

C/o.Tulsidas Khimji Pvt. Ltd., 210, D.m. Rower, 21/1, Race Course Road, Indora, Madhya Pradesh	Plot No. 13-B, Kheda Industrial Growth Centre, Sector No.3, Pithampur, District Dhar, Madhya Pradesh	Bharat CFS Zone -1 Mundra Port & SEZ Ltd. District Kutch 370 421 Gujarat.
7A/1A, Middleton Street Gooptu Court, 3rd Floor, Kolkata 700 071.	C/o. Euro Exim Services Pvt. Ltd. No.31-A, M.K. Complex, 1st Floor, North Pradhakshnam Road, Karur 639001	Office No.128, Akshay Complex, Off. Dhole Patil Road, Pune 411 001
1526, Madan Bhandari Path IV, New Baneshwar Kathmandu, Nepal	Plot No. U31, IInd Floor Narendra Nagar, Ring Road Nagpur 440 015.	200, Middlesex Turnpike Iselin New Jersey 08830, USA.
B-44, Shastri Nagar, Opp. St. Paul's School Near Shastri Circle, Jodhpur 342 001		

Container Freight Stations at:

Kaproli Village, Taluka-Uran, Near JNPT Area Dist- Raigad-410 212, Maharashtra	913 Thiruvottiyur High Road, Near Wimco Nagar Railway Station, Ernavur, Chennai-600 057, Tamil Nadu.	Bharat CFS Zone 1, Mundra Port & SEZ Limited Navinal Island, Mundra, District Kutch-370 421, Gujarat.
Tilpata Road, Dadri, Greater Noida, Dist. Gautam Budh Nagar, Uttar Pradesh-201 307	Plot No.13-B, Kheda Industrial Growth Centre, Sector No.3, District Dhar, Pithampur-454 775, Madhya Pradesh.	

DECLARATION

To,
The Members of
Allcargo Logistics Limited

I, Shashi Kiran Shetty, Chairman & Managing Director of Allcargo 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 March 31, 2014.

For Allcargo Logistics Limited

Place: Mumbai
Date : June 12, 2014

Shashi Kiran Shetty
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Allcargo Logistics Limited

We have examined all relevant records of Allcargo Logistics Limited ("The Company") for the purposes of certifying compliances of the conditions of Corporate Governance under the revised Clause 49 of the Listing Agreement entered into with the BSE Limited and National Stock Exchange of India Limited (Stock Exchanges) for the year ended March 31, 2014.

The compliances of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliances of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs 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.

For Mehta & Mehta
Company Secretaries

Dipti Mehta
Partner
FCS: 3667
CP No: 3202

Place: Mumbai
Date: June 12, 2014



Forward looking statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2006. The management of Allcargo Logistics Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Allcargo" are to Allcargo Logistics Limited and its subsidiaries and associates.

ECONOMIC OVERVIEW

The world economy has experienced subdued growth for another year in 2013, unable to meet even the modest projections made earlier, including the World Economic Situation and Prospects (WESP) 2013.

However, there have been some signs of improvements in the second half of 2013 - the EU has finally came out of a protracted recession, with gross domestic product (GDP) for the region as a whole returning to growth; a few large emerging economies, including China, seem to have backstopped a further slowdown and are poised to strengthen and grow. Based on these developments and a set of assumptions, United Nations (UN) has forecasted the World Gross Product (WGP) to grow at a pace of 3.0 and 3.3 per cent for 2014 and 2015, respectively. Again, this baseline forecast is made in the context of a number of uncertainties and risks emanating from possible policy missteps and factors beyond the economic domain.

The International Monetary Fund (IMF) is more optimistic and has projected global growth at around 3.7 percent in 2014, rising to 3.9 percent in 2015. IMF believes that in many emerging market and developing economies, stronger external demand from advanced economies will lift growth, although domestic weaknesses remain a concern. Some economies may have room for monetary policy support. In many others, output is close to potential, suggesting that growth declines partly reflect structural factors or a cyclical cooling and that the main policy approach for raising growth must be to push ahead with structural reform. In some economies, there is a need to manage vulnerabilities associated with weakening credit quality and larger capital outflows.

India continues to remain one of the fast-growing nations in the world, although there has been a slowdown in growth since the past two years. The Indian economy has slowed down and growth declined to a decade-low of 4.5 per cent in 2012-13.

According to the UN report, India's economy is projected to grow at a slower-than-expected rate of 5.3 per cent in 2014. India's slowdown seems to have bottomed out and a mild recovery in investment as well as stronger export growth will help in the gradual GDP pick-up. External conditions have been challenging as the Indian economy experienced significant capital outflows, which led to a sharp depreciation of the rupee. The report further stated that Reserve Bank of India (RBI) is expected to maintain its focus on inflation and it is unlikely to raise policy rates considerably given the ongoing weakness in investment and growth.

RBI sees a modest pick-up in economic activity in 2014-15, pegging the GDP growth rate at 5.5 per cent. In its report, RBI has reported that the annual average CPI inflation has touched double digits or stayed just below for the last six years. This has had a debilitating effect on macro-financial stability through several channels and has resulted in a rise in inflation expectations and contributed to financial disintermediation, lower financial and overall savings, a wider current account gap and a weaker currency. While headline CPI inflation receded over the last three months from 11.2 per cent in November 2013 to 8.1 per cent in February 2014, the persistence of ex-food and fuel CPI inflation at around 8 per cent for the last 20 months poses difficult challenges to monetary policy. High inflation also had adverse consequences for growth.

For India to outperform the projected economic growth, a focused thrust on improvement of domestic factors is absolutely critical. Key issues need to be addressed are investment in infrastructure, focus on high- end manufacturing, increase the investment in bio-technology and bring in agricultural land reforms that will help farmers with small holdings get greater access to credit, energy reforms addressing the power shortage in the country, education amongst many others. The government to a large extent, has started to take steps to address this. One of the steps that the government has taken is the continued focus on infrastructure development in the country. Healthy infrastructure spending holds the key to facilitating economic growth in India. Hence given the importance of infrastructure for growth, the 12th Plan period has pegged the investment in infrastructure at US\$ 1 trillion.

The Indian logistics industry is expected to witness a healthy growth of 18.9% CAGR over FY13 to FY16 from ₹ 12.8 trillion in FY13 to ₹ 21.5 trillion in FY16. This growth is expected to mainly led by volume growth in containerization, new terminals at ports leading to incremental growth in volumes, dedicated freight corridor (DFC), Delhi-Mumbai industrial corridor, and new businesses segments like 3PL and cold chain creating opportunities in long run.

(Source: International Monetary Fund (IMF), UN's report on 'World Economic Situation and Prospects 2014', RBI website, Industry Data, Reports and SBI Cap Securities)

ABOUT ALLCARGO

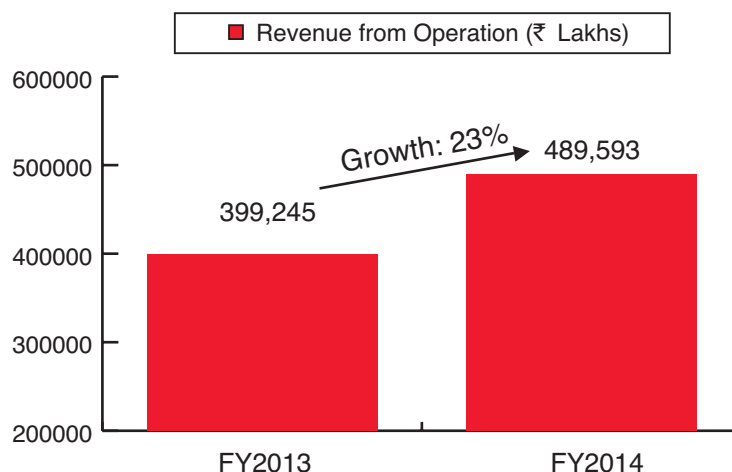
Allcargo Logistics Limited, part of the Avvashya Group, is a leading multinational company providing integrated logistics solutions. The Company offers specialized logistics services across Multimodal Transport Operations (MTO), Container Freight Station Operations (CFS) and Project & Engineering Solutions (P&E). Benchmarked quality standards, standardized processes and operational excellence across all the services and facilities, have enabled Allcargo Logistics Limited to emerge as a leading player in all these segments.

The Company currently operates out of 200 plus offices in 90 plus countries and gets supported by an even larger network of franchisee offices across the world. Allcargo Logistics Limited is today one of India's largest publicly owned logistics companies, listed on BSE Limited and National Stock Exchange of India Limited and a constituent of the BSE Smallcap and CNX Nifty 500 indices.

CONSOLIDATED FINANCIAL OVERVIEW

The consolidated performance of the Company for the financial year ended March 31, 2014, is as follows:

Total revenue from operations at ₹ 489,593 Lakhs for the year ended March 31, 2014, as against ₹ 399,245 Lakhs for the corresponding previous period, an increase of 23%, mainly on account of increase in volumes and revenues in the MTO business that include the two acquisitions during the year. 84% of the revenue is from the global MTO business



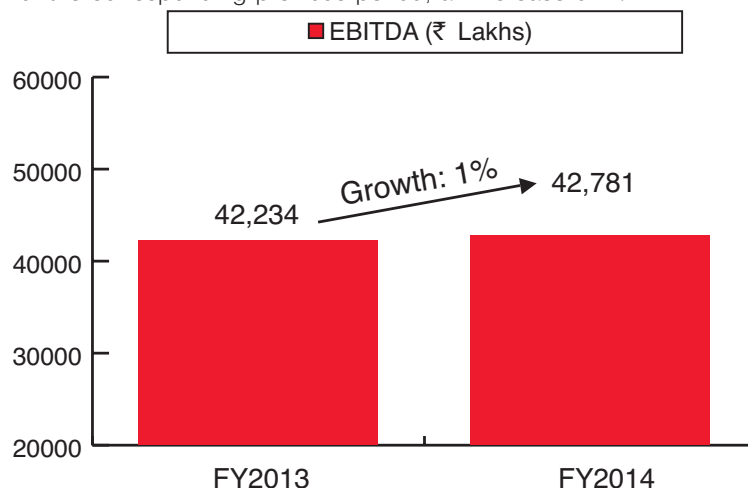
The operating expenses for the financial year ended March 31, 2014 were ₹ 340,387 Lakhs as against ₹ 269,945 Lakhs for the corresponding previous period, an increase of 26%.

The staff expenses for the financial year ended March 31, 2014 were ₹ 72,762 Lakhs as against ₹ 56,340 Lakhs for the corresponding previous period, an increase of 29%.

The other expenses for the financial year ended March 31, 2014 were ₹ 33,663 Lakhs as against ₹ 30,725 Lakhs for the corresponding previous period, an increase of 9%.

This increase has been in line with growth in revenues.

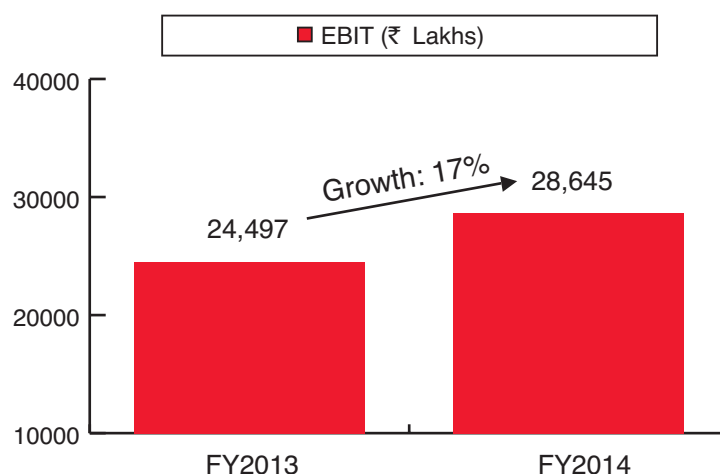
The EBITDA (earnings before interest, depreciation and tax) was ₹ 42,781 Lakhs for the year ended March 31, 2014, as against ₹ 42,234 Lakhs for the corresponding previous period, an increase of 1%.



The depreciation for the financial year ended March 31, 2014 was ₹ 14,136 Lakhs, excluding one-time amortization of goodwill, as against ₹ 14,735 Lakhs for the corresponding previous period, a decrease of 4%.

The interest for the financial year ended March 31, 2014 was ₹ 5,632 Lakhs as against ₹ 4,144 Lakhs for the corresponding previous period, an increase of 36%.

The EBIT (earnings before tax) were ₹ 28,645 Lakhs for the year ended March 31, 2014, as against ₹ 24,497 Lakhs for the corresponding previous period, before amortization of goodwill in FY14 and after eliminating exceptional income of previous year, an increase of 17%.



The EPS (Earning Per Share) for the financial year ended March 31, 2014 was ₹ 11.8 for a face value of ₹ 2 per share, as against ₹ 13.3 for the corresponding previous period.

RESOURCES AND LIQUIDITY

As on March 31, 2014, the consolidated networth stood at ₹ 179,312 Lakhs and the consolidated debt was at ₹ 99,211 Lakhs.

The cash and cash equivalents at the end of March 31, 2014 were ₹ 29,937 Lakhs.

The net debt to equity ratio of the Company stood at 0.39 as on March 31, 2014.

The Company has been rated 'CRISIL AA-/ STABLE' in high safety category in the Credit Perspective report by CRISIL, India's leading rating agency. Out of the 42 logistics companies rated by CRISIL, the Company is amongst the highest CRISIL rated logistics company.

BUSINESS PERFORMANCE

Allcargo operates primarily in three segments, viz., Multimodal Transport Operations (MTO), Container Freight Stations Operations (CFS) / Inland Container Depot (ICD) and Project & Engineering Solutions (P&E).

MULTIMODAL TRANSPORT OPERATIONS (MTO)

- MTO segment involves NVOCC (Non Vessel Owning Common Carrier) operations related to LCL (Less than container load) consolidation and FCL (Full container load) forwarding activities in India and across the world through its wholly owned subsidiary ECU Line
- Allcargo is amongst the leading players in the global LCL consolidation market with a strong network across 90 plus countries and 200 plus offices covering over 4,000 port pairs across the world
- The business clocked total volumes of 3,28,711 TEUs for the year ended March 31, 2014 as against 2,84,726 TEUs for the corresponding previous period, an increase of 15%
- The total revenue for the year ended March 31, 2014 was ₹ 414,911 Lakhs as against ₹ 319,212 Lakhs for the corresponding previous period, an increase of 30%. This revenue includes the two acquisitions of Econocaribe and FCL Marine
- EBIT was ₹ 18,140 Lakhs for the year ended March 31, 2014, as against ₹ 14,481 Lakhs for the corresponding previous period, an increase of 25%

CONTAINER FREIGHT STATIONS (CFS) / INLAND CONTAINER DEPOT (ICD) OPERATIONS

- This segment operations are involved in import / export cargo stuffing, de-stuffing, customs clearance and other related ancillary services to both, importers and exporters
- The CFS facilities are located near JNPT, Chennai and Mundra ports and at Dadri and Kheda
- The total capacity of the CFSs and ICDs at the end of March 31, 2014 is 5,73,000 TEUs per annum
- The business clocked total volumes of 1,86,598 TEUs for the year ended March 31, 2014 as against 2,21,936 TEUs for the corresponding previous period
- The total revenue for the year ended March 31, 2014 was ₹ 31,487 Lakhs as against ₹ 30,954 Lakhs for the corresponding previous period, an increase of 2%
- EBIT was ₹ 8,374 Lakhs for the year ended March 31, 2014, as against ₹ 9,597 Lakhs the corresponding previous period

PROJECT & ENGINEERING SOLUTIONS (P&E)

- Project & Engineering Solutions segment provides integrated end-to-end project, engineering and logistic services through a diverse fleet of owned / rented special equipment like hydraulic axles, cranes, barges, reach-stackers and ships to carry ODC / OWC cargoes as well as project engineering solutions across various sectors
- The total revenue for the year ended March 31, 2014, was ₹ 43,124 Lakhs as against ₹ 45,430 Lakhs for the corresponding previous period
- EBIT was ₹ 4,266 Lakhs for the year ended March 31, 2014, as against ₹ 6,387 Lakhs for the corresponding previous period, before amortization of goodwill in FY14

NEW DEVELOPMENTS / ACHIEVEMENTS IN BUSINESSES DURING THE YEAR:

In the MTO business:

- LCL Consolidator of the Year – EXIM's North India Multimodal Logistics Awards, 2014
- Awarded 'LCL Consolidator of the Year' by Cargo Scope 2013
- Awarded 'LCL Consolidator of the Year' for its outstanding performance in the LCL space at the 'Cargo & Logistics Awards 2014' hosted at the 'Gujarat Junction 2014-Conference on Ports, Shipping & Logistics'
- Eculine, wholly owned subsidiary of Allcargo Logistics Limited made two very successful acquisitions
 - 100% interest in Econocaribe Consolidators – one of the largest LCL consolidators, to strengthen and increase presence in the US market
 - A majority stake in FCL Marine – a leading neutral NVO player in the FCL segment operating in Europe, US and Canada

In the CFS business:

- Awarded 'Best CFS Operations' by – Indian Chamber of Commerce's ICC Supply Chain and Logistics Excellence Awards, 2014
- Transindia Logistics Park recognized as 'Container Freight Station Operator of the Year', at the MALA awards

In the P&E business:

- Won the MALA Award for in the 'Heavy Lift Mover of the Year 2013' category

RISKS AND CONCERNS

The Company faces the following Risks and Concerns;

Economic Risk

A part of business is substantially dependent on the prevailing global economic conditions. As witnessed in previous years, global trade directly impacts our MTO business. Factors that may adversely affect the global economy and in turn India's economic growth, that could affect the CFS/ ICD, warehousing and project & engineering solutions businesses, include slowdown in the rate of infrastructure development, inflation, changes in tax, trade, fiscal and monetary policies, scarcity of credit etc. However, given the planned infrastructure investments in FY 2013-2017 will rise to a cumulative US\$ 1 Trillion compared to US \$ 542 billion in FY 2007- 2012, growth in global EXIM traffic and with 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 one of the largest LCL Consolidator in the world, with 200 plus offices across 90 plus countries covering over 4,000 port pairs. 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" for logistics services. We have built a strong relationship with most of the leading carriers/ liners and as a result are able to obtain competitive commercial terms and operational advantages. We also counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. 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 and expected recovery in global trade, 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 focusing on its CFS/ICD business, a relatively high margin segment which is essentially dependent on imports and exports of containerized cargo in India. With expected EXIM trade increase along with the growth in containerization, CFS business is expected to be good in coming years. With its foray into service of Projects & Engineering Solutions, the Company is further reducing its dependence on global EXIM trade. 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.

Execution Risk

The Company has undertaken number of projects in the last year and many 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.

OPPORTUNITIES

Growth in GDP and EXIM Trade

- ~2x relationship between growth rates of GDP and the logistics industry
- Post-recession resurgence of sectors like retail and manufacturing to drive volume growth
- Growth in EXIM trade - direct positive impact on port-oriented logistics, 1.5-2x GDP multiple for EXIM container trade

Rising Outsourcing and Consolidation

- Current outsourcing of logistics at around 52% in India
- Many more - increasingly considering outsourcing and 3PL models to reduce cost and focus on core businesses, giving to rise to industry consolidation

Rapid Supply Side Changes

- Significant private investment - warehousing and improvement in transportation systems
- Moving away from 'Store-n-Transport' to real supply chain management

Key Regulatory Changes

- Introduction of GST - Leads to creation of integrated supply chain facilities like warehousing near consumption centers
- Privatization of sectors like container rail, rail freight terminals, port and airports
- FDI in retail marketing and distribution - Will increase opportunities for intermediary logistics service providers

Significant Spending on Infrastructure

- Govt. spending over US\$ 300 billion on infrastructure in 12th five year plan of which - 27% to be spent on rail, road, aviation and port projects
- Approx. US\$ 500 billion expected to be spent in logistics infrastructure development in coming decade

THREATS

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported. The Company also has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis.

Recognizing the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy of, and compliance with, policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

Periodical audit and verification of the systems enables the various business groups to plug any shortcomings in time. It also evaluates the Company's risk management system and suggests improvement in strengthening risk mitigation measures for all key operations, controls and governance process. In addition, the top management and the Audit committee of the Board periodically review the findings and ensure corrective measures are taken. `

HUMAN RESOURCES

The Company has Human Relations and Industrial Relations policies in force. These are reviewed and updated regularly in line with the Company's strategic plans. The Human Relations team continually conducts training programs for the development of employees.

The Company aims to develop the potential of every individual associated with the Company as a part of its business goal. Respecting the experienced and mentoring the young talent has been the bedrock for the Company's successful growth. The Company's employees' age bracket represents a healthy mix of experienced and willing-to-experience employees.

Human resources are the principal drivers of change. They push the levers that take futuristic businesses to the next level of excellence and achievement. The Company focuses on providing individual development and growth in a work culture that enables cross- pollination of ideas, ensures high performance and remains empowering.

As on March 31, 2014, the Company had a workforce of 4,015 people on rolls. The business wise breakup of the workforce is as follows:

Businesses	% on rolls
MTO	84%
CFS/ICD	6%
P&E	7%
Corporate	2%
Others	1%
Total	100%

OUTLOOK

The economy is likely to expand by more than 5.0 percent in FY2014.

India's economy is projected to grow at a slower-than-expected rate of 5.3 per cent in 2014, according to a United Nations report. The slowdown seems to have bottomed out and a mild recovery in investment as well as stronger export growth will help in the gradual GDP pick-up.

Over the long term, India's prospects remain very bright. Notwithstanding the current slowdown in economic growth, India's long-term prospects remain highly favorable. India possesses the fundamentals to grow at sustained high rates over the next several decades on the strengths of its demographic transition, high savings and investment rates, rising educational attainments, and increasing agglomeration effects (urbanization and growth of secondary cities).

For India to outperform the projected economic growth, a focused thrust on improvement of domestic factors is absolutely critical. Key issues need to be addressed are investment in infrastructure, focus on high- end manufacturing, increase the investment in bio-technology and bring in agricultural land reforms that will help farmers with small holdings get greater access to credit, energy reforms addressing the power shortage in the country, education amongst many others. The government to a large extent, has started to take steps to address this. One of the steps that the government has taken is the continued focus on infrastructure development in the country. Healthy infrastructure spending holds the key to facilitating economic growth in India. Hence given the importance of infrastructure for growth, the 12th Plan period has pegged the investment in infrastructure at US\$ 1 trillion. `

INDEPENDENT AUDITORS' REPORT

To the Members of
Allcargo Logistics Limited

Report on the financial statements

We have audited the accompanying financial statements of **Allcargo Logistics Limited** ('the Company'), which comprise the Balance sheet as at March 31, 2014 and the Statement of profit and loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required 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 March 31, 2014;
- (b) in the case of the Statement of profit and loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash flow statement, of the cash flows of the Company for the year ended on that date.

Emphasis of matter

Without qualifying our report, we draw attention to note 46 of the financial statements regarding the Scheme of Arrangement ('the Scheme') sanctioned by the Hon'ble High Court of Judicature at Mumbai. The Scheme permits the Company to adjust the deficit of ₹ 3,410 Lakhs arising against cancellation of Investment against the share capital of the amalgamating company to goodwill, which is considered to be an override to the relevant provisions of Accounting Standard 14 (AS 14) 'Accounting for Amalgamations'. Had such deficit not being adjusted to goodwill, the Company would have reflected such deficit of ₹ 3,410 Lakhs to general reserve account. Our opinion is not qualified in respect to this matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

- (b) 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;
- (c) the Balance sheet, the Statement of profit and loss and the Cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance sheet, the Statement of profit and loss and the Cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- (e) on the basis of written representations received from the directors of the Company as at March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W

For **Appan & Lokhandwala Associates**

Chartered Accountants

Firm's Registration No: 117040W

Aniruddha Godbole

Partner

Membership No: 105149

M. Subramanian

Partner

Membership No: 111106

May 24, 2014

Mumbai

May 24, 2014

Mumbai

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT - MARCH 31, 2014

With reference to the Annexure referred to in the Independent Auditors' Report to the Members of Allcargo Logistics Limited ('the Company') on the financial statements for the year ended March 31, 2014, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which heavy equipments and other vehicles are verified annually and all other fixed assets are verified over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In line with the above program, the Company has verified the above fixed assets during the year and we are informed that 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) The inventory, other than stocks lying with third parties, has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations has been obtained.
- (b) The procedures for physical verification of inventories 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. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been dealt with in the books of account.
- (iii) (a) The Company has granted unsecured loans to a body corporate covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was ₹ 10 Lakhs and the year-end balance was Nil. The Company has not granted loans, secured or unsecured to firms or other parties covered in the register maintained under Section 301 of the Act. In our opinion and according to the information and explanation given to us, the outstanding current account is not considered by the Company and accordingly do not fall under purview of loans.
- (b) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to a body corporate covered in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interests of the Company.
- (c) Loans granted to a body corporate listed in the register maintained under Section 301 of the Act are repaid during the year. The borrower has been regular in repaying the principal amounts as demanded and in the payment of interest.
- (d) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to a body corporate listed in the register maintained under Section 301 of the Act.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4 (iii) (e) to 4(iii) (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain services rendered are for the specific requirements of certain buyers and that purchases of certain items of fixed assets are for the Company's specific requirements and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and inventories and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain services rendered are for the specific requirements of certain buyers and suitable alternative sources are not available to obtain comparable quotations, the transactions made in pursuance of contracts or arrangements in the register maintained under Section 301 of the Act 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. However, on the basis of information and explanations provided, the same appear reasonable.

- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) As informed to us by the management, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the goods sold and services / activities / rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities, though there are slight delays in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Sales tax, Wealth tax and Cess which have not been deposited with the appropriate authorities on account of any disputes.

According to the information and explanations given to us, the following statutory dues have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Demand (₹ in Lakhs)	Amount not deposited on account of demand (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Penalty	2	2	2002	Commissioner of Central Excise and Service Tax Appellate Tribunal
	Service tax	3	2	Apr-08 to Sep-08	CERA
	Service tax	1,043	1,043	2004-05 to 2009-10	Commissioner of Service tax, Chennai
The Customs Act, 1962	Custom Duty	181	181	2004	Commissioner of Customs
	Custom Duty	28	28	2009	Commissioner of Customs
	Custom Duty	2	2	2002	Appellate Tribunal
Rajasthan Local Area Act, 1999	Entry tax including interest and penalty	72	72	FY 2009-10	Rajasthan Commercial Tax Department
The Income Tax Act, 1961	Income Tax	6,729	6,729	A.Y. 2003-04 to 2009-10	High Court
The Income Tax Act, 1961	Income Tax	3,498	1,191	A.Y. 2010-11	Commissioner of Income Tax (Appeals)

- (x) The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred any cash losses in the current year 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 banks. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by subsidiaries from banks and others are not prima facie prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company 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 of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term purposes.
- (xviii) The Company has not made any preferential allotment of shares during the year to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W

For Appan & Lokhandwala Associates

Chartered Accountants

Firm's Registration No: 117040W

Aniruddha Godbole

Partner

Membership No: 105149

M. Subramanian

Partner

Membership No: 111106

May 24, 2014

Mumbai

May 24, 2014

Mumbai

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2014

(₹ in Lakhs)

	Notes	March 31, 2014	March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	2,521	2,528
Reserves and surplus	5	119,066	114,986
		121,587	117,514
Share application money, pending allotment			
(₹ Nil; previous year ₹ 8,600)		-	-
Non-current liabilities			
Long-term borrowings	6	16,963	20,829
Deferred tax liabilities (net)	7	10,889	9,756
Other long-term liabilities	8	205	220
Long-term provisions	9	412	333
		28,469	31,138
Current liabilities			
Short-term borrowings	10	1,567	3,503
Trade payables	11	9,762	8,843
Other current liabilities	12	29,017	35,424
Short-term provisions	9	2,575	3,332
		42,921	51,102
TOTAL		192,977	199,754
ASSETS			
Non-current assets			
Fixed assets			
-Tangible fixed assets	13	96,979	98,016
-Intangible fixed assets	14	403	306
-Capital work-in-progress	13	664	1,128
-Intangible fixed assets under development	14	29	155
		98,075	99,605
Non-current investments	15	34,874	39,961
Long-term loans and advances	16	22,047	23,628
Other non-current assets	17	41	215
		155,037	163,409
Current assets			
Current investments	18	11,979	9,015
Inventories	19	889	897
Trade receivables	20	15,864	14,966
Cash and bank balances	21	999	960
Short-term loans and advances	22	4,969	5,418
Other current assets	17	3,240	5,089
		37,940	36,345
TOTAL		192,977	199,754
Significant accounting policies	2,3		
Notes to the financial statements	4-50		

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W

For Appan & Lokhandwala Associates
Chartered Accountants
Firm's Registration No: 117040W

For and on behalf of Board of Directors

Aniruddha Godbole
Partner
Membership No: 105149

M.Subramanian
Partner
Membership No: 111106

Shashi Kiran Shetty
Chairman and
Managing Director

Keki Elavia
Director

Jatin Chokshi
Chief Financial Officer

Shailesh Dholakia
Company Secretary

Mumbai
May 24, 2014

Mumbai
May 24, 2014

Mumbai
May 24, 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

	Notes	March 31, 2014	March 31, 2013
Revenue from operations			
Sale of services	23	96,112	101,121
Other operating revenues	23	2,789	688
		98,901	101,809
Other income	24	3,303	6,426
Total revenue		102,204	108,235
Expenses			
Employee benefits expense	25	7,164	7,673
Finance costs	26	2,863	2,667
Depreciation and amortisation	27	13,475	11,676
Other expenses	28	71,669	73,391
Total expenses		95,171	95,407
Profit before tax		7,033	12,828
Tax expenses:			
(a) Current tax		1,405	3,108
Less: MAT credit entitlement		(980)	(3,108)
		425	-
(b) Deferred tax		996	1,273
Profit for the year		5,612	11,555
Earnings per share of face value of ₹ 2 each	29		
Basic (in ₹)		4.5	9.0
Diluted (in ₹)		4.5	9.0
Significant accounting policies	2,3		
Notes to the financial statements	4-50		

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W

For Appan & Lokhandwala Associates
Chartered Accountants
Firm's Registration No: 117040W

For and on behalf of Board of Directors

Aniruddha Godbole
Partner
Membership No: 105149

M.Subramanian
Partner
Membership No: 111106

Shashi Kiran Shetty
Chairman and
Managing Director

Keki Elavia
Director

Jatin Chokshi
Chief Financial Officer

Shailesh Dholakia
Company Secretary

Mumbai
May 24, 2014

Mumbai
May 24, 2014

Mumbai
May 24, 2014

STANDALONE FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
A. Cash flow from operating activities		
Profit before taxation	7,033	12,828
Adjustment for:		
Depreciation / amortisation on fixed assets/investment property	13,475	11,676
Gain on cancellation/settlement of derivatives	(1,479)	(4,434)
(Reversal) / Provision for doubtful debts	(508)	2,477
Provision for doubtful advances	12	-
Bad debts /advances written off	274	-
Interest expense	2,863	2,673
Interest income	(627)	(390)
Dividend income	(1)	(13)
Profit on sale of fixed assets	(164)	(363)
Rental income	(247)	(225)
Profit on sale of current investments (net)	(462)	(791)
Profit on sale of trade investments (net)	(236)	(20)
Unrealised foreign exchange loss (net)	439	21
Expense written back on lapse of employee stock options	(39)	(34)
Operating profit before working capital changes	20,333	23,405
Adjustment for:		
(Increase) in trade receivables	(662)	(4,315)
(Increase) / decrease in loans and advances	(282)	1,990
Decrease in inventories	8	207
Decrease in Unbilled revenue	724	810
Increase / (decrease) in current liabilities	(2,299)	3,932
Increase in provisions for retirement benefits	132	9
Cash generated from operating activities	17,954	26,038
Taxes paid (net of refunds)	(356)	(3,027)
Net cash flows generated from operating activities (A)	17,598	23,011
B. Cash flow from investing activities		
Purchase of fixed assets	(4,358)	(6,838)
Proceeds from sale of trade investments	1,231	4,817
Purchase of preference shares of subsidiaries	(140)	(3,370)
Acquisition of investment property	-	(13)
Share application money paid	-	(1,540)
Refund of share application money	35	785
Proceeds from sale of fixed assets	243	426
Purchase of current investments (net)	(2,503)	(4,392)
Inter-Company deposits given	-	(1,500)
Inter-Company deposits realised	1,682	1,518
Rent received	247	225
Redemption/maturity of bank deposits (having original maturity of more than three months)	37	131
Bank deposits placed (having original maturity of more than three months)	(40)	(12)
Dividend received	1	13
Advances/ loans given to subsidiaries	(3,398)	(2,925)
Repayment of advances/ loans from subsidiaries	2,142	7,482
Interest income	689	507
Net cash flows (used in) investing activities (B)	(4,132)	(4,686)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
C. Cash flow from financing activities		
Proceeds from long term borrowings	16,934	3,923
Repayment of long term borrowings	(24,772)	(11,352)
Repayment of short term borrowings from banks(net)	(3,500)	(2,599)
Buyback of equity shares of the Company	-	(5,817)
Share application money pending allotment {(₹ Nil) (previous year: ₹ 8,600)}	-	-
Overdraft taken (net)	1,064	(379)
Bills of exchange (net)	500	102
Interest paid	(2,947)	(3,896)
Realisation/settlement of derivatives	1,479	3,007
Dividend and dividend distribution tax paid	(2,212)	(744)
Net cash flow (used in)/ from financing activities (C)	(13,454)	(17,755)
Net increase / (decrease) in cash and cash equivalent (A+B+C)	12	570
Opening Balance of Cash and Cash equivalents (refer note 3 below)	858	288
Add: Cash and cash equivalents acquired on amalgamation of MHTC Logistics Private Limited (refer note 46)	48	-
Closing balance of Cash and Cash equivalents (refer note 2 below)	894	858
	12	570
Notes:		
1) The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, Cash flow statement prescribed in the Companies (Accounting Standard) Rules, 2006.		
2) Cash and cash equivalents at year end comprises:		
Cash on hand	53	18
Balances with scheduled banks		
- current accounts	807	511
- fixed deposit accounts	9	-
- exchange earner's foreign currency account	23	327
- dividend account	2	2
	894	858
3) In the previous year, the Company has adjusted loans and advances amounting to ₹ 1,513 Lakhs and ₹ 100 Lakhs outstanding from Contech Transport Services Private Limited and Hindustan Cargo Limited respectively by subscribing to 15,130 and 2,500 10% Redeemable, Non cumulative, Non convertible Preference shares of the respective subsidiaries.		
These amounts have not been considered in the above cash flow statement		

As per our report of even date attached.

For B S R & Co. LLPChartered Accountants
Firm's Registration No: 101248W**For Appan & Lokhandwala Associates**Chartered Accountants
Firm's Registration No: 117040W**For and on behalf of Board of Directors****Aniruddha Godbole**Partner
Membership No: 105149**M.Subramanian**Partner
Membership No: 111106**Shashi Kiran Shetty**Chairman and
Managing Director**Keki Elavia**

Director

Jatin Chokshi

Chief Financial Officer

Shailesh Dholakia

Company Secretary

Mumbai
May 24, 2014Mumbai
May 24, 2014Mumbai
May 24, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Company overview

Allcargo Logistics Limited ('the Company') was incorporated on August 18, 1993 and is a leading multinational company engaged in providing integrated logistics solutions and offers specialised logistics services across Multimodal Transport Operations, Inland Container Depot, Container Freight Station Operations, Third Party Logistics Operations and Project and Engineering Solutions. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the year, pursuant to the scheme of amalgamation as sanctioned by the Honourable High Court of Bombay, MHTC Logistics Private Limited (a wholly owned subsidiary) has been amalgamated into the Company (refer note 46) with effect from April 01, 2012.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, except as explained in the note 3 in respect of changes in accounting policies made in the previous year ended March 31, 2013.

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government under Section 211 (3C) of the Companies Act, 1956 read with the General Circular 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, in consultation with the National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of the Companies Act, 1956 ('the Act'), to the extent applicable. The financial statements are presented in India rupees rounded off to the nearest Lakhs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of the services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

2.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Fixed assets and depreciation/amortization

Fixed assets are stated at cost less accumulated depreciation / amortization and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Until March 31, 2012, in respect of accounting period commencing on or after December 07, 2006 and ended on or before March 31, 2011, further extended to period ending on or before March 31, 2012 and subsequently extended till period ended on or before March 31, 2020, consequent to the insertion of paragraph 46 of AS-11 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, (as more fully explained in note 2.13), the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items as at the balance sheet date in so far as they relate to the acquisition of such assets.

Further, with effect from April 01, 2012, pursuant to the notification dated December 29, 2011, issued by the Ministry of Corporate Affairs inserting the paragraph 46A of the AS 11 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, the Company opted to record, from the year ended March 31, 2013 foreign exchange transaction for all long term monetary liabilities, as per paragraph 46 A of AS -11 (Refer note 3).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Depreciation on fixed assets (including investment property) except leasehold improvements is provided on straight line method in the manner and rates prescribed in Schedule XIV to the Act. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

Assets costing less than ₹ 5,000 are fully depreciated in the year of acquisition.

Leasehold improvements are amortised over the primary period of lease.

Advance paid / expenditure incurred on acquisition / construction of fixed assets of assets which are not ready for their intended use at each balance sheet date are disclosed under loans and advances on capital account or capital work in progress respectively.

2.4 Intangible assets and amortization

Intangible assets comprises of goodwill on amalgamation in the nature of merger and computer software and are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Acquired intangible assets are recorded at the consideration paid for acquisition. Intangible assets of computer software are amortised on a straight-line basis over six years, which in management's estimate represents the period during which economic benefits will be derived from their use.

2.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. 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 are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.6 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long- term investments. However, part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investment" in consonance with the current/ non-current classification scheme of revised Schedule VI. Long term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

2.7 Investment property

Investment in land or buildings that are not intended to be occupied substantially for use by, or in operations of the company or held for rental purpose is classified as investment property. It is measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition or construction of the investment property. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the property) is recognized in statement of profit and loss.

2.8 Inventories

Inventories of stores and spares are valued at cost or net realisable value whichever is lower. The cost is determined on first in first out basis and includes all charges incurred for bringing the inventories to their present condition and location.

2.9 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

2.10 Employee benefits

(a) Short term employee benefits

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognised in the period in which the employee renders the related service.

(b) Post employment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

(c) Other long term employment benefits

Compensated absences:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date as determined by an independent actuary based on projected unit credit method. The discount rates used for determining the present value of the obligation under other long term employment benefits plan, are based on the market yields on Government securities as at the balance sheet date.

2.11 Employee's Stock Options Plan

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme ('ESOS'), the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation cost over the vesting period in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

2.12 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**Multimodal transport income:**

Export revenue is recognised on sailing of vessel and import revenue is recognised upon rendering of related services.

Container freight station income:

Income from Container Handling is recognized as related services are performed.

Income from Ground Rent is recognized for the period the container is lying in the Container Freight Station. However, in case of long standing containers, the Income is accounted on accrual basis to the extent of its recoverability.

Third party logistics income:

Third party logistics service charges and management fees are recognised as and when the service is performed as per the contractual terms.

Project and equipment income:

Revenue for project division includes rendering of end to end logistics services comprising of activities related to consolidation of cargo, transportation, freight forwarding and customs clearance services. Income from Project division is recognised when the outcome of the service contract can be estimated reliably; contract revenue and costs are recognised as income and expense when the related activities are performed, measured by reference of the contract activity at the reporting date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Equipment division earns revenue from hiring of cranes, trailers and other fleets. Income from transportation of goods is recognized on completion of the delivery of goods/containers. Income from hiring of fleets is recognized on the basis of actual usage of the Company's fleets, per the contractual terms.

Others:

Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the right to receive dividend is established.

Profit/loss on sale of current investments is computed with reference to their average cost.

2.13 Taxation

Income tax expense comprises current income tax and deferred tax charge or credit.

Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

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.

2.14 Foreign currency transactions

Foreign currency transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

The Central Government has vide its notification dated March 31, 2009 amended AS 11, 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, to the extent it relates to the recognition of losses or gains arising on restatement of long-term foreign currency monetary items in respect of accounting periods commencing on or after December 07, 2006 and ended on or before March 31, 2011. This

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

notification has being further extended to period ended on or before March 31, 2012 and subsequently extended till period ended on or before March 31, 2020.

As stipulated in the notification, the Company has exercised the option to adopt the following policy irrevocably and retrospectively for accounting periods commencing from April 01, 2007.

Further, with effect from April 01, 2012, pursuant to the notification dated December 29, 2011, issued by the Ministry of Corporate Affairs inserting the paragraph 46A of the AS 11 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, the Company opted to record, from the current period foreign exchange transaction for all long term monetary liabilities, as per paragraph 46 A of AS -11.

Long term monetary assets and liabilities, other than those which form part of the Company's net investment in non-integral foreign operations, denominated in foreign currency as at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date and the net exchange gain / loss on such conversion, if any, is:

- a) adjusted to the cost of the asset, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), and depreciated over the balance life of the assets and;
- b) accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) and amortised over the balance period of long-term monetary asset under (a) above.

Other monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary asset such as investments in equity shares, etc. are carried forward in the balance sheet at costs.

2.15 Operating lease

Lease rentals in respect of assets acquired on operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term.

Assets given by the Company under operating lease are included in fixed assets. Lease income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease are deferred and recognised in the statement of profit and loss over the lease term in proportion to the recognition of lease income.

2.16 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.17 Provisions and contingent liabilities

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the financial statements.

3. Changes in accounting policies

Exchange differences on long term foreign currency monetary items

Pursuant to the notification dated December 29, 2011, issued by the Ministry of Corporate Affairs inserting the paragraph 46A of the AS 11 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, the Company opted to record, from the previous period foreign exchange transaction for all long term monetary liabilities, as per paragraph 46 A of AS -11. As a result, exchange difference on long term monetary liabilities arising subsequent to April 01, 2012 is restated as per paragraph 46A.

The change has resulted in increase of depreciation of ₹ 91 Lakhs, reduction in the finance charge of ₹ 820 Lakhs and increase in profit after tax of ₹ 747 Lakhs for the previous year.

The above adjustment includes interest reversal of ₹ 820 Lakhs and incremental depreciation of ₹ 28 Lakhs for the earlier period ended March 31, 2012.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

4 Share capital

	March 31, 2014	March 31, 2013
Authorised capital:		
177,475,000 (previous year: 175,000,000) equity shares of ₹ 2 each (Refer Note 46)	3,550	3,500
500 (previous year: 500) 4% cumulative preference shares of ₹ 100 each	1	-
	3,551	3,500
Issued, subscribed and paid up:		
126,047,762 (previous year: 126,410,873) equity shares of ₹ 2 each, fully paid-up	2,521	2,528
	2,521	2,528

Sub-notes :

- i) Reconciliation of the number of equity shares outstanding at the beginning and at the year end is set as below:

Equity shares	March 31, 2014		March 31, 2013	
	Number of shares (Units)	Amount ₹ in Lakhs	Number of shares (Units)	Amount ₹ in Lakhs
At the commencement of the year	126,410,873	2,528	130,547,322	2,611
Add: Equity shares issued on exercise of employee stock options (₹ 20,760)	10,380	-	-	-
Less: Equity shares held by merged entity cancelled (refer note 46)	(373,491)	(7)	-	-
Less: Shares cancelled on buyback of equity shares (refer note 47)	-	-	(4,136,449)	(83)
At the end of the year	126,047,762	2,521	126,410,873	2,528

- ii) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. During the year ended March 31, 2014, the Company has proposed final dividend of ₹ 1.50 per equity share (previous year: dividend of ₹ 1.50 per equity share). The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Employee stock options

Terms attached to stock options granted to employees are described in note 44 regarding employee share based payments.

- iii) Particulars of shareholders holding more than 5% of a class of shares

Name of equity shareholder	March 31, 2014		March 31, 2013	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 2 each fully paid-up held by :				
- Mr. Shashi Kiran Shetty	81,623,390	64.76	81,623,390	64.57

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

iv) Shares reserved for issue under options and contracts/ commitments for sale of shares/disinvestment

	March 31, 2014		March 31, 2013	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Under Allcargo Employee Stock Option Plan 2006 (at an exercise price of ₹ 2 per equity share) (2014: Nil; previous year: ₹ 60,000)	-	-	30,000	-

v) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

During the five-year period ended March 31, 2014 (March 31, 2013)

- 17,302 (previous year: 19,767) equity shares of ₹ 2 each, fully paid up have been allotted as bonus shares by capitalisation of general reserve and securities premium account.
- 86,265 (previous year: 91,850) equity shares of ₹ 2 each under Employee Stock Option Plan for which only exercise price has been recovered in cash.
- During the previous year, the Company has bought back and extinguished 4,136,449 equity shares at an average price of ₹ 139.69 per equity share for an aggregate amount of ₹ 5,817 Lakhs (Refer note 47).

5 Reserves and surplus

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Securities premium account		
At the commencement of the year	48,458	54,192
Add : Securities premium received on shares issued on employee stock options exercised during the year	14	-
Less: Premium paid on buy back of equity shares	-	5,734
Less: Effect of cancellation of investments made by MHTC in the Company (refer note 46)	635	-
Less: Capitalisation on issue of bonus shares issued during the year (₹ 2160; previous year ₹ Nil)	-	-
At the end of the year	47,837	48,458
Employee stock options outstanding account		
At the commencement of the year	53	87
Less: Employee stock option exercised during the year	14	-
Less: Employee stock option lapsed during the year	39	34
	-	53
General reserve		
At the commencement of the year	12,060	10,904
Add : Amount transferred pursuant to the scheme of amalgamation (refer note 46)	1,412	-
Add : Amount transferred from Surplus	561	1,156
At the end of the year	14,033	12,060
Capital Redemption Reserve		
At the commencement of the year	83	-
Add : Amount transferred from Profit and loss on buyback of equity shares	-	83
At the end of the year	83	83
Surplus in statement of profit and loss		
At the commencement of the year	54,332	46,219
Add : Profit for the year	5,612	11,555
Add : Amount transferred, pursuant to the scheme of amalgamation (refer note 46)	26	-
Add : Effect on account of MHTC merger	4	-
Less: Losses for the year ended March 31, 2013 adjusted, pursuant to the scheme of amalgamation (refer note 46)	(88)	-
	59,886	57,774



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

5 Reserves and surplus (Contd.)

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Less : Appropriations		
-Proposed equity dividend [₹ 1.50 per share (previous year: ₹ 1.50)] per equity share of ₹ 2 each*	1,891	1,883
-Tax on proposed equity dividend *	321	320
-Transfer to general reserve	561	1,156
-Interim equity dividend	-	-
-Tax on interim equity dividend	-	-
- Transferred to Capital Redemption Reserve on buy back of equity shares	-	83
Total appropriations	2,773	3,442
Net surplus in statement of profit and loss	57,113	54,332
Total reserves and surplus	119,066	114,986

*Proposed equity dividend and tax on proposed dividend for previous year are net of reversal of excess provision of earlier period pertaining to equity shares bought back before the record date of dividend, aggregating to ₹ 13 Lakhs and ₹ 2 Lakhs respectively.

6 Long-term borrowings

(₹ in Lakhs)

	Non-current portion		Current portion *	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Term loans (secured)				
From banks	14,400	-	600	-
Buyers' credit	919	17,666	22,722	21,031
Vehicle finance loans	1,644	3,163	1,611	1,469
	16,963	20,829	24,933	22,500

* Amount disclosed under 'other current liabilities' - refer note 12

(A) Nature of the security

- Rupee term loans from banks are secured against equipments.
- Buyer's credit is secured against equipment financed by the Bank.
- Vehicle finance loans are secured against vehicle financed by the Bank.

(B) Repayment schedule of Long-term borrowings

(i) Rupee term loans from banks

(₹ in Lakhs)

Rate of Interest	Repayment Schedule		
	2014-15	2015-16	2016-17
10.45%	-	-	7,500
	(Nil)	(Nil)	(Nil)
10.60%	600	3,450	3,450
	(Nil)	(Nil)	(Nil)

(ii) Buyers Credit from banks

(₹ in Lakhs)

Rate of Interest	Repayment Schedule		
	2014-15	2015-16	2016-17
1-5%	6,571	-	-
	(6,446)	(Nil)	(Nil)
5-10%	16,151	-	919
	(11,219)	(Nil)	(Nil)

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(iii) Vehicle finance loans from banks

(₹ in Lakhs)

Rate of Interest	Repayment Schedule			
	2014-15	2015-16	2016-17	2017-18
8-12%	1,611 (1,588)	1,276 (1,246)	359 (329)	9 (Nil)

Long term borrowings includes borrowings discharged by the Company, taken over pursuant to the scheme of amalgamation (refer note 46)

The Vehicle loan has to be repaid based on monthly instalment during the period from April 01, 2015 to July 07, 2017 and the Buyers credit are paid based on the contractual terms, starting April 02, 2014 to March 15, 2016 .

7 Deferred tax liability (net)

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Deferred tax liability		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	12,143	11,212
	12,143	11,212
Deferred tax assets		
Provision for employee benefits	181	159
Preliminary expenses under section 35D/35DD of the Income tax act.	37	91
Provision for doubtful trade receivables	1,036	1,206
	1,254	1,456
Deferred tax liability (net)	10,889	9,756
Deferred tax liability includes liability acquired by the Company, taken over pursuant to the scheme of amalgamation (refer note 46)		

8 Other long-term liabilities

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Others		
Security deposit received	200	157
Advance received from customers	5	63
	205	220

9 Provisions

(₹ in Lakhs)

	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits				
Gratuity (refer note 34)	-	-	54	-
Compensated absences (refer note 34)	412	333	122	134
	412	333	176	134
Other provisions				
Proposed equity dividend	-	-	1,891	1,896
Tax on proposed equity dividend	-	-	321	322
Provision for current tax {net of advance tax amounting to ₹ 3218 Lakhs (previous year ₹ 5,879 Lakhs)}	-	-	187	980
	-	-	2,399	3,198
	412	333	2,575	3,332

Provision includes other provision discharged by the Company, taken over pursuant to the scheme of amalgamation (refer note 46)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

10 Short-term borrowings

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Loans repayable on demand		
Cash credit (secured)	1,067	3
Other loans and advances (unsecured)		
Rupee term loan	-	3,500
Bills discounting	500	-
	1,567	3,503

Notes

- (a) Cash credit facilities from bank carry interest ranging from 10-13% p.a. computed on a monthly basis on the actual amount utilised, and are repayable on demand. These are secured against immovable property situated in Mumbai, pari pasu charge on present and future movable assets, inventories and book debts.
- (b) Rupee term loan represents working capital loan carrying interest @ 12% p.a. and it was repaid on April 16, 2013.
- (c) Bills discounting facilities carry interest ranging from 11-13% p.a. and are repayable over a period of 45 to 90 days

11 Trade payables

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Due to micro and small suppliers (refer note 31)	11	7
Others	9,243	8,508
Acceptances	508	328
	9,762	8,843

Trade payables includes payable discharged by the Company, taken over pursuant to the scheme of amalgamation (refer note 46)

12 Other current liabilities

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Current maturities of long-term borrowings (refer note 6)	24,933	22,500
Interest accrued but not due on borrowings	319	403
Forward cover premium payable	-	-
Advance received from customers	1,963	4,734
Security deposits	67	63
Capital creditors	135	3,268
{includes amount due to micro and small supplier ₹ Nil (previous year: ₹ 25) refer note 31 }		
Income billed in advance	25	6
Amount liable to be deposited to investor education and protection fund but not yet due for deposits		
- Unpaid dividend	2	2
Statutory dues payable		
Service tax payable	30	52
TDS payable	187	173
VAT/WCT payable	5	12
ESIC payable	1	1
Professional tax payable	1	1
Provident fund payable	47	46
Employee benefits payable	266	274
Director commission payable	354	827
Purchase consideration payable	600	600
Others	82	38
Advance against sale of fixed assets	-	91
Advance against sale of investments	-	2,333
	29,017	35,424

Other current liabilities includes liabilities discharged by the Company, taken over pursuant to the scheme of amalgamation (refer note 46)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13 Tangible fixed assets

Description	Freehold land	Leasehold land	Building	Leasehold improvements	Plant and machinery	Heavy equipments	Other vehicles	Computers	Office equipment	Furniture & fixtures	Total
Gross Block											
Balance as at April 01, 2012	5,493	5,041	14,168	586	1,976	86,563	366	995	285	1,823	117,296
Additions	169	438	1,621	28	1,235	6,444	8	147	38	185	10,313
Deduction	-	-	(21)	-	(35)	(874)	(1)	(37)	(2)	(18)	(988)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	3,625	-	-	-	-	3,625
Balance as at March 31, 2013	5,662	5,479	15,768	614	3,176	95,758	373	1,105	321	1,990	130,246
Balance as at April 01, 2013	5,662	5,479	15,768	614	3,176	95,758	373	1,105	321	1,990	130,246
Additions	-	-	1,156	364	203	1,076	4	109	59	197	3,168
Deduction	-	-	-	-	(125)	(507)	(2)	(9)	(3)	(4)	(650)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
- as a result of merger (refer note 46)	-	28	6	-	520	1,549	83	1	10	7	2,204
- exchange differences	-	-	-	-	-	4,894	-	-	-	-	4,894
Balance as at March 31, 2014	5,662	5,507	16,930	978	3,774	102,770	458	1,206	387	2,190	139,862
Depreciation											
Balance as at April 01, 2012	-	632	969	106	453	17,754	94	630	40	453	21,131
Depreciation for the year	-	175	618	28	143	10,316	35	121	8	127	11,571
Deduction	-	-	(2)	-	(16)	(406)	(1)	(36)	(1)	(10)	(472)
Balance as at March 31, 2013	-	807	1,585	134	580	27,664	128	715	47	570	32,230
Balance as at April 01, 2013	-	807	1,585	134	580	27,664	128	715	47	570	32,230
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
- as a result of merger (refer note 46)	-	7	2	-	31	1,143	-	-	7	4	1,194
Depreciation for the year	-	179	419	43	322	8,637	74	125	15	128	9,942
Deduction	-	-	-	-	(33)	(441)	(2)	(9)	4	(2)	(483)
Balance as at March 31, 2014	-	993	2,006	177	900	37,003	200	831	73	700	42,883
Net block											
As at March 31, 2013	5,662	4,672	14,183	480	2,596	68,094	245	390	274	1,420	98,016
As at March 31, 2014	5,662	4,514	14,924	801	2,874	65,767	258	375	314	1,490	96,979
Capital work-in-progress											
Balance as at April 01, 2012	-	15	2,165	-	-	2,008	1	-	-	1	4,190
Additions	-	11	1,919	-	68	4,699	1	4	26	1	6,729
Assets capitalised during the year *	-	(26)	(3,002)	-	(30)	(6,705)	(2)	-	(26)	-	(9,791)
Balance as at March 31, 2013	-	-	1,082	-	38	2	-	4	-	2	1,128
Balance as at April 01, 2013	-	-	1,082	-	38	2	-	4	-	2	1,128
Additions	-	-	1,054	-	65	141	-	13	4	-	1,277
Assets capitalised during the year *	-	-	(1,684)	-	(10)	(25)	-	(17)	(4)	(1)	(1,741)
Balance as at March 31, 2014	-	-	452	-	93	118	-	-	-	1	664

* includes cost on capital goods

1) Pursuant to the notification dated December 29, 2011, issued by the Ministry of Corporate Affairs inserting the paragraph 46A of Accounting Standard 11 (AS 11) 'The Effects of Changes in Foreign Exchange Rates', the Company opted to record, from the previous year ended March 31, 2013, foreign exchange transaction for all the long term monetary liabilities, as per paragraph 46A of AS 11. As a result, exchange difference on long term monetary liabilities arising subsequent to April 01, 2011 is restated as per the para 46A. This change has resulted in increase in depreciation of ₹ 91 Lakhs, reduction in the finance charges of ₹ 820 Lakhs, and increase in profit after tax of ₹ 746 Lakhs for the year ended March 31, 2013.

2) Adjustments to gross block and accumulated depreciation represents fixed assets of MHTC Logistics Private Limited, taken over pursuant to scheme of amalgamation (refer note 46). Further, the title deeds for the immovable properties pertaining to the amalgamating Company are pending conveyance in the name of the Company. The Company has already initiated the name change formalities to transfer the title in respect of other properties, contracts etc. (refer note 46)

3) The Company has leased out Cranes and Equipments for a period ranging 6-9 months. The lease rental income recognised in the statement of profit and loss is ₹ 23,023 Lakhs (previous year: ₹ 23,439 Lakhs). The gross value of the assets leased out is ₹ 93,012 Lakhs (previous year: ₹ 82,830 Lakhs). Accumulated depreciation of the asset leased out is ₹ 32,542 Lakhs (previous year: ₹ 23,916 Lakhs). The depreciation recognised in the statement of profit and loss for the year is ₹ 7,787 Lakhs (previous year: ₹ 9,347 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

14 Intangible fixed assets

(₹ in Lakhs)

Description	Goodwill on Merger	Software Packages	Total
Gross Block			
Balance as at April 01, 2012	-	396	396
Additions	-	114	114
Balance as at March 31, 2013	-	510	510
Balance as at April 01, 2013	-	510	510
Additions (refer note 46)	3,410	192	3,602
Balance as at March 31, 2014	3,410	702	4,112
Amortisation			
Balance as at April 01, 2012	-	127	127
Amortisation for the period	-	77	77
Balance as at March 31, 2013	-	204	204
Balance as at April 01, 2013	-	204	204
Amortisation for the year (refer note 46)	3,410	95	3,505
Balance as at March 31, 2014	3,410	299	3,709
Net block			
As at March 31, 2013	-	306	306
As at March 31, 2014	-	403	403
Intangibles assets under development			
Balance as at April 01, 2012	-	132	132
Deduction	-	-	-
Additions	-	154	154
Assets capitalised during the year	-	(128)	(128)
Adjustment	-	(3)	(3)
Balance as at March 31, 2013	-	155	155
Balance as at April 01, 2013	-	155	155
Additions	-	79	79
Assets capitalised during the year	-	(205)	(205)
Balance as at March 31, 2014	-	29	29

15 Non-current investments

(valued at cost unless stated otherwise)

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
(A) Trade investments		
Trade investments : quoted		
Investment in equity instruments (fully paid-up)*		
512 (previous year: Nil) Equity shares of Navneet Education Limited of ₹ 2 each (₹ 12,050)	-	-
47 (previous year: Nil) Equity shares of Reliance Capital Limited of ₹ 5 each (₹ 2,363)	-	-
1,000 (previous year: Nil) Equity shares of Gujarat Ind. Power Corporation Limited of ₹ 10 each (₹ 40,996)	-	-
954 (previous year: Nil) Equity shares of Reliance Communication Limited of ₹ 10 each	1	-
1,908 (previous year: Nil) Equity shares of Reliance Industries Limited of ₹ 10 each	2	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

15 Non-current investments (Contd.)

(valued at cost unless stated otherwise)

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
71 (previous year: Nil) Equity shares of Reliance Infrastructure Limited of ₹ 10 each (₹ 13,270)	-	-
238 (previous year: Nil) Equity shares of Reliance Power Limited of ₹ 10 each (₹ 1,272)	-	-
1,800 (previous year: Nil) Equity shares of Tata Motors Limited of ₹ 2 each	1	-
500 (previous year: Nil) Equity shares of Sree Rayalseema Alkalies and Allied Chemicals Limited of ₹ 10 each (₹ 25,755)	-	-
	4	-
Trade investments : unquoted		
Investment in equity instruments of wholly owned subsidiaries (fully paid-up)		
10,000 (previous year: 100,000) Equity shares of Contech Transport Services Private Limited of ₹ 100 each	22	22
11,500 (previous year: 11,500) Equity shares of Allcargo Belgium N.V of Euro 1,000 each	6,848	6,848
250,000 (previous year: 250,000) Equity shares of Hindustan Cargo Limited of ₹ 10 each	891	891
10,000 (previous year: 10,000) Equity shares of Ecu Line (India) Private Limited of ₹ 10 each	1	1
20,131 (previous year: 20,131) Ordinary shares of Asia Line Limited of Euro 100 each	1,321	1,321
10,000 (previous year: 10,000) Equity shares of Allcargo Shipping Co. Private Limited of ₹ 10 each	1	1
10,000 (previous year: 10,000) Equity shares of Southern Terminal and Trading Private Limited of ₹ 10 each	1	1
10,000 (previous year: 10,000) Equity shares of AGL Warehousing Private Limited of ₹ 10 each	1	1
Nil (previous year: 200,000) Equity shares of MHTC Logistics Private Limited of ₹ 10 each (refer note 46)	-	3,430
Investment in equity instruments of subsidiaries (fully paid-up)		
3,327,750 (previous year: 3,327,750) Equity shares of South Asia Terminals Pvt. Ltd. of ₹ 10 each	333	333
3,867,840 (previous year: 3,867,840) Equity shares of Allcargo Logistics Park Pvt. Ltd. of ₹ 10 each	387	387
8,400 (previous year: 8,400) Equity shares of Transindia Logistic Park Private Limited of ₹ 10 each	5,552	5,552
3,019 (previous year: Nil) Equity shares of Combiline Indian Agencies Private Limited of ₹ 10 each *	2	-
Investment in equity instruments of associates (fully paid-up)		
Nil (previous year: 90) Ordinary shares of Transworld Logistics and Shipping Services Inc. of USD 500 each	-	11
Nil (previous year: 2,430,900) equity shares of Sealand Warehousing Private Limited of ₹ 10 each (refer note 43)	-	243
Nil (previous year: 26,000) equity shares of Gujarat Integrated Maritime Complex Private Limited of ₹ 10 each (refer note 43)	-	3,062
Investment in equity instruments of companies (fully paid-up)		
10 (previous year: 10) Equity shares of Alltrans Port Management Private Limited of ₹ 10 each - ₹ 1,000 (previous period: ₹ 1,000)	-	-
43,600 (previous year: 21,800) Equity shares of Transnepal Freight Services Private Limited of ₹ 100 each (Nepal Rupees)	14	14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

15 Non-current investments (Contd.)

(valued at cost unless stated otherwise)

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
4,000 (previous year: NIL) Equity Shares of Zorastrian Co-op. Bank Limited of ₹ 25 each*	1	-
Investment in preference shares of wholly owned subsidiaries (fully paid-up)		
147,975 (previous year: 147,975) 1% redeemable, non cumulative, non convertible preference shares of Hindustan Cargo Limited of ₹ 100 each	2,220	2,220
73,930 (previous year: 73,930) 1% redeemable, non cumulative, non convertible preference shares of Allcargo Shipping Co. Private Limited of ₹ 100 each	3,697	3,697
149,420 (previous year: 149,420) 1% redeemable, non cumulative, non convertible preference shares of AGL Warehousing Private Limited of ₹ 100 each	3,736	3,736
2,500 (previous year: 2,500) 10% redeemable, non cumulative, non convertible preference shares of Hindustan Cargo Limited of ₹ 100 each	100	100
33,700 (previous year: 33,700) 10% redeemable, non cumulative, non convertible preference shares of Allcargo Shipping Co. Private Limited of ₹ 100 each	3,370	3,370
15,130 (previous year: 15,130) 10% redeemable, non cumulative, non convertible preference shares of Contech Transport Services Private Limited of ₹ 100 each	1,513	1,513
4871 (previous year: 2,330) 10% redeemable, non cumulative, non convertible preference shares of Transindia Logistics Park Private Limited of ₹ 100 each	3,220	1,540
	33,231	38,294
* Represents investment taken over, pursuant to the scheme of amalgamation of MHTC Logistics Private Limited (a wholly owned subsidiary) with the Company. The title deeds for these investments are pending transfer in the name of the Company (refer note 46)		
(B) Other non-current investments		
Investment property (at cost less accumulated depreciation)		
Cost of Buildings	1,743	1,743
Less: Accumulated depreciation	104	76
Net book value	1,639	1,667
	34,874	39,961
Quoted non-current investments		
Aggregate book value	4	-
Aggregate market value	32	-
Aggregate book value of unquoted non-current investments	33,231	38,294
Aggregate provision for diminution in value of non-current investments	-	-

16 Long-term loans and advances

(₹ in Lakhs)

	Non-current portion		Current portion	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
To parties other than related parties				
(Unsecured and considered good)				
Capital advances	3,928	3,998	-	-
A	3,928	3,998	-	-
(Unsecured)				
Security deposits				
Considered good	340	390	45	62
Considered doubtful	30	25	5	-
Less: Provision for doubtful deposits	(30)	(25)	(5)	-
B	340	390	45	62

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

16 Long-term loans and advances (Contd.)

(₹ in Lakhs)

	Non-current portion		Current portion	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Other loans and advances				
<i>(Unsecured and considered good)</i>				
Loans to employees	6	9	10	5
Inter corporate deposits	-	-	-	1,682
Balance with customs and ports	-	6	-	-
Prepaid expenses	29	20	227	84
Advance tax recoverable [net of provisions of ₹ 10,506 Lakhs (previous year: ₹ 3,835 Lakhs)]	1,255	2,978	-	-
MAT credit entitlement	13,285	12,786	500	-
Other advances	17	19	1	-
C	14,592	15,818	738	1,771
D=A+B+C	18,860	20,206	783	1,833
To related parties				
<i>(Secured and considered good)</i>				
Security deposits	2,299	2,576	168	-
Loans to subsidiaries	888	846	38	14
E	3,187	3,422	206	14
F=D+E	22,047	23,628	989	1,847

Long term loans and advances includes the recoverables acquired from MHTC Logistics Private Limited, taken over pursuant to the scheme of amalgamation (refer note 46)

Loans to subsidiaries (unsecured, considered good) include ₹ 926 Lakhs (previous year : ₹ 860 Lakhs) due from directors or other officers or any of them, either severally or jointly with any other person or from firms or private companies in which any director is a partner or a director or member.

17 Other assets

(unsecured considered good, unless stated otherwise)

(₹ in Lakhs)

	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Non current bank balance (refer note 21)	5	5	-	-
A	5	5	-	-
Other				
Contractually reimbursement expenses	-	-	344	-
Unamortised premium on forward contracts	-	-	159	-
Unbilled revenue	-	-	2,619	3,343
Advance towards share application money	-	-	81	1,656
Interest accrued on fixed deposits	-	-	2	1
Interest receivable on loans	-	-	24	-
Interest receivable on advances	-	-	11	-
Insurance claim receivable	36	210	-	89
B	36	210	3,240	5,089
A+B	41	215	3,240	5,089

Other non current assets includes the recoverables acquired from MHTC Logistics Private Limited, taken over pursuant to the scheme of amalgamation (refer note 46)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

18 Current investments

(₹ in Lakhs)

(valued at lower of cost and fair value)

	March 31, 2014	March 31, 2013
Investment in mutual funds - unquoted		
Nil (previous year; 1,85,972.58) units of Birla SL FRF Long Term Growth	-	259
Nil (previous year; 38,89,376.45) units of IDFC Dynamic Bond Fund Growth	-	547
Nil (previous year; 12,634.56) units of Indiabulls Liquid Fund Growth	-	144
Nil (previous year; 13,35,368.47) units of JP Morgan India Liquid Fund Growth	-	203
Nil (previous year; 37,784.61) units of Pinebridge India total Return bond fund Growth	-	574
89,579.442 (previous year; 52,339.04) units of Religare Invesco Ultra Short Term fund -Growth	1,565	848
7,291,933.689 (previous year; 1,97,43,589.36) units of Sundaram Ultra Short Term fund Growth	1,220	3,153
148,856.57 (previous year; 61,568.93) units of Taurus Liquid fund Growth	1,999	778
Nil (previous year; 1,65,473.74) units of Taurus Ultra Short Term fund Growth	-	2,304
Nil (previous year; 10,150) units of Taurus Short Term Income Fund - Dividend Plan	-	205
Nil (previous year; 2) units of Taurus Liquid Fund Dividend (₹ Nil; previous year; ₹ 2,070)	-	-
87,052.92 (previous year; Nil) units of Baroda Pioneer Treasury Advantage Fund - Plan A Growth	1,253	-
27,729.50 (previous year; Nil) units of Birla Sunlife Cash Plus - Growth - Regular Plan	56	-
2,805,428.465 (previous year; Nil) units of DWS Money Plus Fund - Institutional Plan - Growth	370	-
2,150,035.815 (previous year; Nil) units of Franklin India Saving Plus Fund - Growth	500	-
31,955.576 (previous year; Nil) units of ICICI Prudential Liquid Regular Plan - Growth	59	-
3,123,640.276 (previous year; Nil) units of ICICI Prudential Banking & PSU Debt Fund Regular Plan - Growth	431	-
2,529,327.553 (previous year; Nil) units of JM Floater Fund - Short Term Plan - Growth	500	-
1,809,980.444 (previous year; Nil) units of Kotak Banking & PSU Debt Fund - Growth	510	-
13,577,511.717 (previous year; Nil) units of Peerless Liquid Fund Super Institutional - Growth	1,864	-
20,036.889 (previous year; Nil) units of Pinebridge India Short Term Fund Standard - Growth	300	-
16,669.612 (previous year; Nil) units of Pramerica Short Term Floating Rate Fund - Growth	200	-
3838.299 (previous year; Nil) units of Reliance Liquid Fund - Treasury Plan Institutional - Growth	118	-
41,619.283 (previous year; Nil) units of Religare Invesco Credit Opportunities Fund - Growth	584	-
24,191.038 (previous year; Nil) units of Tempelton India Treasury Management Account Super Institutional Plan - Growth	450	-
	11,979	9,015
Unquoted current investments		
Aggregate book value	11,979	9,015

19 Inventories

(valued at the lower of cost and net realisable value)

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Stores and spares	889	897
	889	897

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

20 Trade receivables

(₹ in Lakhs)

(unsecured and considered good)

	March 31, 2014	March 31, 2013
Receivables outstanding for a period exceeding six months from the date they became due for payment		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	632	327
(c) Considered doubtful	3,016	3,399
Less: Provision for doubtful receivables	(3,016)	(3,399)
(A)	632	327
Other receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	15,232	14,639
(c) Considered doubtful	22	149
Less: Provision for doubtful receivables	(22)	(149)
(B)	15,232	14,639
(A+B)	15,864	14,966

Trade receivables (unsecured, considered good) include ₹ 408 Lakhs (previous year : ₹ 321 Lakhs) due from directors or other officers or any of them, either severally or jointly with any other person or from firms or private companies in which any director is a partner or a director or member.

21 Cash and bank balances

(₹ in Lakhs)

	Non-current portion		Current portion	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash and cash equivalents				
Cash on hand	-	-	53	18
Balances with banks				
- in current accounts	-	-	807	511
- in deposit accounts (with original maturity of 3 months or less)	-	-	9	-
- in unpaid dividend account	-	-	2	2
- in exchange earners foreign currency	-	-	23	327
Cheques /drafts on hand (₹ 10,191)	-	-	-	-
	-	-	894	858
Other bank balances				
- Deposit due to mature within 12 months from the reporting date	-	-	40	37
- Deposit due to mature after 12 months from the reporting date	5	5	-	-
- Margin money deposit under lien	-	-	65	65
	5	5	105	102
Amount disclosed under non-current assets (refer note 17)	5	5	-	-
	-	-	999	960

Cash and cash equivalents includes amounts acquired from MHTC Logistics Private Limited, taken over pursuant to the scheme of amalgamation (refer note 46)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

22 Short-term loans and advances

(₹ in Lakhs)

(Unsecured, considered good)

	March 31, 2014	March 31, 2013
Current portion of long-term loans and advances (refer note 16)		
<i>To parties other than related parties</i>	783	1,833
<i>To related parties</i>	206	14
Other short-term loans and advances		
<i>To parties other than related parties</i>		
Security Deposits		
Considered good	56	-
Considered doubtful	3	-
Less: Provision for doubtful deposits	(3)	-
	56	-
Advances for supply of goods	719	539
Advances to employees	262	289
Other advances	116	33
Prepaid Expenses	513	351
Security Deposit(other short-term loans)	80	74
CENVAT credit receivable	174	505
Loan to employees	19	34
Balance with customs and ports	68	124
Gratuity asset	-	10
<i>To related parties</i>		
Short term loans and advances to subsidiaries (refer note 48)	1,973	1,612
	4,969	5,418

Short term Loans & advances (unsecured, considered good) include ₹ 1,742 Lakhs (previous year : ₹ 483 Lakhs) due from directors or other officers or any of them, either severally or jointly with any other person or from firms or private companies in which any director is a partner or a director or member.

23 Revenue from operations

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Sale of services		
Multimodal transport operations	31,551	31,701
Container freight stations	26,670	29,654
Project and engineering solutions	36,808	38,964
Third party logistic income	1,083	802
	96,112	101,121
Other operating revenue		
Business support charges	822	520
Corporate Guarantee Fees	828	-
Management fees	123	105
Maintenance income	17	15
Liaibility written back no longer required	156	19
Miscellaneous income	117	29
Reversal of provision for doubtful debts	508	-
Bad debts recovered	218	-
	2,789	688

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

24 Other income

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Interest income on		
- current investments	67	179
- fixed deposits with banks	5	14
- loans given to other parties	165	195
Dividend income from		
- current investments	1	13
Other non-operating income		
- gain on cancellation/settlement of derivatives	1,479	4,485
- profit on sale of investment	698	811
- profit on sale of fixed assets	164	363
- rental income	247	223
- interest on Income tax refund	391	-
- Others	82	8
- net gain on account of foreign exchange fluctuations	4	135
	3,303	6,426

25 Employee benefits expense

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Salaries, wages and bonus	6,186	6,699
Staff welfare expenses	439	447
Contributions to provident and other funds	340	338
Compensated absences	111	157
Gratuity	88	32
	7,164	7,673

26 Finance costs

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Interest expense		
- buyers' credit	1,440	2,371
- vehicle finance loan	399	495
- foreign currency non resident rupee term loan	502	255
- rupee term loan	34	391
- cash credit	74	3
- others	336	-
	2,785	3,515
Other borrowing costs		
Processing fees	78	51
Net loss/(gain) on foreign currency transactions and translation to the extent regarded as borrowing costs (refer note 3)	-	(899)
	2,863	2,667

27 Depreciation and amortisation

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Depreciation of tangible fixed assets	9,942	11,570
Amortisation of intangible fixed assets	3,505	77
Depreciation on investment property	28	29
	13,475	11,676

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28 Other expenses

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Multimodal and transport related operational expenses		
Freight and other ancillary cost	26,366	26,107
Delivery order/ documentation charges	737	614
Insurance	18	15
(A)	27,121	26,736
Container freight stations related operational expense		
Handling and Transportation charges	11,006	11,413
Power and fuel costs	1,190	905
Repairs and maintenance-Others	80	110
(B)	12,276	12,428
Project and engineering solutions related operational expense		
Project operating and hiring expenses	15,711	16,568
Power and fuel costs	3,203	2,828
Repairs and maintenance - machinery	2,726	2,621
Stores and spares consumed	2,046	1,949
Insurance	230	248
(C)	23,916	24,214
Other operational cost		
Third party logistic expenses	500	388
(D)	500	388
Other administrative expenses		
Electricity charges	387	499
Rent	1,065	993
Repairs to :		
Building	22	72
Others	401	345
Insurance	117	100
Rates and taxes	174	164
Travelling expenses	1,576	1,513
Legal and professional fees	806	991
Payment to joint auditors (refer note below)	60	60
Communication charges	256	271
Printing and stationery	130	133
Business promotion	484	417
Provision for doubtful debts	-	2,477
Provision for doubtful loans and advances	13	-
Bad debts/advances written off	274	100
Directors fees and commission	91	53
Donations	425	146
CSR activities	94	124
Office expenses	402	406
Forex gain/loss	435	-
Security expenses	327	262
Bank charges	36	38
Miscellaneous expenses	281	461
(E)	7,856	9,625
(A)+(B)+(C)+(D)+(E)	71,669	73,391

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28 Other expenses (Continued)

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Note: Payment to joint auditors		
As auditors'		
Statutory audit	25	25
Tax audit	5	5
Limited review of quarterly results	25	27
In other capacity		
Certification matters	5	3
Reimbursement of expenses (₹ 16,668 : previous year: ₹ 16,668)	-	-
	60	60

In addition to the above, fees amounting to ₹ 7 Lakhs (previous year : ₹ 4 Lakhs) for other professional services rendered have been paid to firms of chartered accountants in which some of the partners in the firm of joint statutory auditors are partners.

29. Earnings per share

Particulars	March 31, 2014	March 31, 2013
Net profit after tax attributable to equity shareholders (A) ₹ in Lakhs	5,612	11,555
Number of equity shares at the beginning of the period	126,410,873	130,547,322
Shares issued during the year	10,380	-
Shares bought back during the year	-	(4,136,449)
Shares held by merged entity cancelled (refer note 46)	(373,491)	-
Number of equity shares outstanding at the end of the year	126,047,762	126,410,873
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B) (used as denominator for calculating Basic EPS)	126,044,070	127,999,016
Add: Effect of potential equity shares to be issued under Employee Stock Option Scheme	-	34,789
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (C) (used as denominator for calculating Diluted EPS)	126,044,070	127,964,227
Basic (in rupees) per share of face value ₹ 2 (A)/(B)	4.5	9.0
Diluted (in rupees) per share of face value ₹ 2 (A)/(C)	4.5	9.0

30. Contingent liabilities and commitments

(to the extent not provided for)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Contingent liabilities:		
a. Disputed liabilities in Appeal		
Income Tax (refer note 1 below)	6,729	6,729
Income Tax (AY 10-11)	1,520	-
Customs	211	181
Service Tax	1,048	1,138
Entry Tax	72	-
b. Claims against the Company, not acknowledged as debts	357	132
c. Corporate guarantees given by the Company on behalf of its subsidiaries	42,728	18,139
d. Bank guarantees	28,489	7,960
Commitments:		
a. Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	315	901

Note 1: Disputed income tax liabilities in Appeal include one matter where the Income Tax Department had issued assessment orders against the Company, whereby, the claim of deduction by the Company under Section 80-IA (4) of The Income Tax Act, 1961 was disallowed from the assessment years 2004-05 to 2009-10 and raised a demand of ₹ 6,729 Lakhs on the Company. The Company had filed an appeal against the said assessment orders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

30 Contingencies and commitments (Continued)

The special bench of Income Tax Appellate Tribunal vide its order dated July 06, 2012 and divisional bench of Income Tax Appellate Tribunal vide its order dated December 05, 2012 upheld the Company's plea and accordingly the Company has continued to claim deduction under Section 80IA (4) of the Income Tax Act, 1961.

In view of the foregoing, the Company continues to provide Current tax under the provisions of Minimum Alternate Tax. The Department has filed an appeal on May 31, 2013 with the High Court of Bombay against the said order of the Divisional Bench of Income Tax Appellate Tribunal.

31. Dues to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 02, 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises.

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
Principal amount remaining unpaid to any supplier as at the period end	11	32
Interest due thereon (₹ 18,375)	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period (₹ 18,375)	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

32. Segment reporting

Disclosure as per Account Standard (AS) 17 "Segment Reporting" is reported in consolidated financial statements of the Company. Therefore, the same has not been separately disclosed in line with the provision of AS 17.

33. Leases**Operating leases as lessee**

The Company has taken a commercial property on non-cancellable operating lease. The lease agreement provides for an option to the Company to renew the lease period at the end of non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements. The future minimum lease payments in respect of lease property as at is as follows:

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Lease Payments		
Not later than one year	86	-
Later than one year but not later than 5 years	432	-
Later than 5 years	-	-
Payment of lease rentals during the year	77	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Operating leases as lessor

The Company has given commercial properties on non-cancellable operating lease. The lease agreement provides for an option to the Company to renew the lease period at the end of non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements. The future minimum lease receipts in respect of lease property as at March 31, 2014 is as follows:

Particulars	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
Lease Receipts		
Not later than one year	207	-
Later than one year but not later than 5 years	236	-
Later than 5 years	-	-
Receipt of lease rentals during the year	207	-

34. Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits'

i) Defined Contribution Plans:

Contribution to Provident Fund and ESIC

Amount of ₹ 340 Lakhs (previous year : ₹ 338 Lakhs) contributed to Provident Fund, ESIC and other funds (refer note 25) is recognised as an expense and included in "Contribution to Provident & Other Funds" under 'Employee benefits' in the statement of profit and loss.

ii) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service subject to a maximum payment of ₹ 10 Lakhs.

	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
I Change in the defined benefit obligation		
Liability at the beginning of the year	368	329
Interest cost	30	27
Current service cost	50	67
Past Service Cost [Vested benefit] recognized during the period	-	-
Benefit paid	(22)	(24)
Actuarial (gain) / loss on obligations	36	(31)
Liability at the end of the year	462	368
II Amount recognised in the balance sheet		
Liability at the end of the year	(462)	(368)
Fair value of plan assets at the end of the year	408	378
Net Assets / (liabilities) recognised in the balance sheet	(54)	10
III Expenses recognised in the statement of profit and loss		
Current service cost	50	67
Interest cost	29	28
Expected return on plan assets	(33)	(19)
Past Service Cost [Vested benefit] recognized during the period	-	-
Net actuarial (gain) / loss to be recognized	41	(44)
Expense recognised in the statement of profit and loss	87	32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014	March 31, 2013
IV Balance sheet reconciliation		
Opening net liability	(10)	112
Expense as above	87	32
Employers contribution paid	(23)	(154)
Asset / (Liability) recognised in the balance sheet	54	10
V Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	377	216
Expected Return on Plan Assets	33	19
Contributions	3	154
Benefit Paid (March 31, 2014 – ₹ 53,510)	-	(24)
Actuarial gain/(loss) on Plan Assets	(4)	12
Fair Value of Plan Assets at the end of the year	407	377
Total Actuarial Gain / (loss) to be recognised	41	44
VI Actual return on Plan Assets:		
Expected Return on Plan Assets	33	19
Actuarial gain /(loss) on Plan Assets	(4)	12
Actual Return on Plan Assets	29	31
VII Investment details of Plan Assets:		
Government of India Assets	41	41
Corporate Bonds	7	7
Insurer Managed Funds	350	324
Other	9	5
Total Plan Assets	407	377
VIII Actuarial assumptions		
Discount rate	9.39%	8.00%
Salary escalation	8.50%	6.00%

Particulars	Year ended 31 March		Period ended 31 March	Year ended 31 December	
	2014	2013	2012	2010	2009
IX Experience adjustments	2014	2013	2012	2010	2009
Present value of defined benefit obligation	462	368	329	201	119
Fair value of the plan assets	407	377	216	140	114
Deficit in the plan	54	10	112	61	5
Experience adjustments on:					
Plan liabilities (gain)/loss	1	(59)	57	22	(14)
Plan assets (Loss)/Gain	(4)	12	3	(10)	(2)

Particulars	March 31, 2014	March 31, 2013
X Classification into Current/ Non Current		
Amount recognized in the balance sheet		
Current	54	(10)
Non Current	-	-
	54	(10)

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

The Company continues to fund the trust in next year by reimbursing the actual payout.

iii) Compensated leave absences-

Following amounts are recognized in respect of unfunded obligations towards compensated leave absences:

Particulars	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
Amount recognized in the balance sheet		
Current	122	134
Non- current	412	333
	534	467
Amount recognized in Salaries and other benefit in the Statement of profit and loss in respect of compensated leave liability	111	157

35. Related party disclosures

A Name of related parties where control exists:

I. Subsidiaries

Hindustan Cargo Ltd
 HC Logistics Ltd
 Credo Shipping Agencies (I) Private Limited
 Contech Transport Services Private Limited
 Comptech Solutions Private Limited
 Amfin Consulting Private Limited
 Ecu Line (India) Private Limited
 Allcargo Shipping Co.Private Limited
 South Asia Terminals Pvt. Ltd.
 Southern Terminals & Trading Private Limited
 AGL Warehousing Private Limited
 Allcargo Logistic Park Private Limited
 Transindia Logistic Park Private Limited
 ECU International (Asia) Private Limited
 Combiline Indian Agencies Private Limited
 Ecu-Line Algerie sarl
 Ecu Logistics SA
 Ecu-Line N.V.
 Ecu-Logistics N.V.
 Ecubro N.V.
 Ecu-Tech BVBA
 Ecuhold N.V.
 Ecu International N.V.
 Ecu Global Services N.V.
 HCL Logistics N.V.
 AGL N.V.
 Allcargo Belgium N.V.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Ecu Logistics do Brasil Ltd.a
Flamingo Line do Brasil Ltd.a
Ecu-Line Bulgaria EOOD
Ecu-Line Chile S.A.
Flamingo Line Chile S.A.
Ecu-Line Guangzhou Ltd
China Consolidation Services Shipping Ltd
Ecu-Line (CZ) s.r.o.
Ecu-Line del Ecuador S.A.
Flamingo Line del Ecuador SA
Ecu Line Egypt Ltd.
Flamingo Line El Salvador SA de CV
Ecu-Line Germany GmbH
ELWA Ghana Limited
Flamingo Line de Guatemala S.A.
Ecu-Line Hong Kong Ltd.
Ecu International Far East Ltd.
CCS China Consolidation Services Company Ltd.
PT EKA Consol Utama Line
Ecu-Line Italia srl.
Eurocentre Milan srl.
Ecu-Line Côte d'Ivoire Sarl
Jordan Gulf for Freight Services Agencies Co.LLC
Ecu-Line Malta Ltd.
CELM Logistics SA de CV
Ecu Logistics de Mexico SA de CV
Ecu-Line Maroc S.A.
Ecu-Line Rotterdam BV
Rotterdam Freight Station BV
Ecu-Line de Panama S.A.
Ecu-Line Paraguay S.A.
Ecu-Line Philippines Inc.
Ecu-Line Polska SP. Z.o.o.
Ecu-Line Doha W.L.L.
Ecu-Line Romania SRL
Ecu-Line Singapore Pte. Ltd.
Ecu-Line South Africa (Pty.) Ltd.
Ecu-Line Spain S.L.
Mediterranean Cargo Center S.L. (MCC)
Ecu Line Lanka (Pvt) Ltd.
Société Ecu-Line Tunisie Sarl
Ecu Uluslarasi Tas. Ve Ticaret Ltd. Sti.
China Consolidated Company Ltd.
Star Express Company Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Ecu-Line UK Ltd.
DEOLIX S.A.
DLC
Guldary S.A.
ELV Multimodal C.A.
Administradora House Line C.A.
aEcu-Line (Indian Ocean Islands) Ltd.
Asia Line Ltd
Consolidadora Ecu- Line C.A
Ecu Shipping Logistics (K) Ltd.
Ecu-Line Middle East LLC
Ecu-Line (Johor Bahru) Snd. Bhd.
Eurocentre FZCO
Ecu-Line Kenya Ltd.
Ecu-Line Abu Dhabi LLC
CCS Shipping Ltd.
Flamingo Line del Peru S.A.
Ecu-Line Peru S.A.
Ecu-Line Saudi Arabia LLC
Ecu-Line Zimbabwe (Pvt) Ltd.
Ecu-Line Japan Ltd.
S.H.E. Maritime Services Ltd.
Translogistik Internationale Spedition GmbH
Ecu-Line Australia Pty Ltd.
Ecu-Line NZ Ltd.
Ecu-Line (Thailand) Co. Ltd.
Ecu-Line Mediterranean Ltd.
China Consolidation Services Ltd.
Ecu-Line Switzerland GmbH
Ecu-Line Canada Inc
Cargo Freight Stations, S.A.
Ocean House Ltd.
Ecu-Line de Colombia S.A
Conecli International S.A.
European Customs Broker NV
Ecu-Line Vietnam Co.Ltd
Econocaribe Consolidators, Inc
OTI cargo Inc
Port International Inc
Ecoline Storage Corp
ECI Customs Brokerage, Inc
Integrity Enterprises Pty Ltd
PRISM Global, LLC
FCL Marine Agencies B.V.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**II. Associates**

Transworld Logistics & Shipping Services Inc. (ceased to be an Associate w.e.f August 15, 2013)

Sealand Warehousing Private Limited (ceased to be Associate w.e.f November 29, 2013)

Gujarat Integrated Maritime Complex Pvt. Ltd (ceased to be Associate w.e.f November 29, 2013)

III. Joint Ventures

Transnepal Freight Services Private Limited

IV. Entities over which key managerial personnel or their relatives exercises significant influence:

Allcargo Movers (Bombay) Private Limited

Allcargo Shipping Services Private Limited

Allnet Infotech Private Limited

Alltrans Logistics Private Limited

Alltrans Port Management Private Limited

Avadh Marketing LLP

Avash Builders And Infrastructure Private Limited

Avashya Corporation Pvt.Ltd

FTL (India) Pvt.Ltd (formerly known as Avashya Enterprises Private Limited)

Avashya Holdings Pvt.Ltd

Contech Estate LLP

Indport Maritime Agencies Pvt.Ltd.

Jupiter Precious Gems and Jewellery Private Limited (formerly Jupiter Machines Pvt. Ltd.)

N.R. Holdings Private Limited

Poorn Estates Private Limited

Prominent Estate Holdings Private Limited

Sealand Crane Private Limited

SKS Netgate LLP

SKS Realty LLP

SKS Ventures Private Limited

Talentos (India) Private Limited

Talentos Entertainment Private Limited

Transindia Freight Private Limited

Transindia Freight Services Private Limited

Sealand Holdings Pvt. Ltd

Meridien Tradeplace Pvt.Ltd

Poorn Buildcon Pvt. Ltd

Panna Estates LLP

Black Soil Realty Investment advisors LLP

Container Freight Station Associations of India (upto 13 January 2014)

Panna Infracon Projects LLP

V. Key Managerial Personnel

Shashi Kiran Shetty

Umesh Shetty

Adarsh Hegde

VI. Relatives of Key Management Personnel

Arathi Shetty



STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

B. Transactions with Related Party during the period April 01, 2013 to March 31, 2014													(₹ in Lakhs)	
Sr. No.	Nature of Transaction	Subsidiaries		Associates		Joint Venture		Entities over which key managerial personnel or their relatives exercises significant influence		Key Managerial Personnel and their Relative		Total		
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	
1	Multimodal Transport Income	5,501	5,989	107	502	-	-	-	-	-	-	5,608	6,491	
2	Project & Engineering Solutions Income	1,722	3,173	-	-	-	-	-	-	-	-	1,722	3,173	
3	Container Freight Station income	459	184	-	-	-	-	-	-	-	-	459	184	
4	Third Party Logistics income	133	159	-	-	-	-	-	-	-	-	133	159	
5	Management fees received	123	105	-	-	-	-	-	-	-	-	123	105	
6	Business Support charges received	822	520	-	-	-	-	-	-	-	-	822	520	
7	Corporate Guarantee Fees	828	-	-	-	-	-	-	-	-	-	828	-	
8	a. Interest received on Loan	137	190	-	-	-	-	-	-	-	-	137	190	
	b. Interest received on Advances	12	-	-	-	-	-	-	-	-	-	12	-	
9	Multimodal Transport Operation expenses	6,405	6,120	110	742	-	-	-	-	-	-	6,515	6,862	
10	Project & Engineering Solutions Expense	2,295	1,606	-	-	-	-	-	-	-	-	2,295	1,606	
11	Container Freight Station expenses	2,640	3,000	-	-	-	-	-	-	-	-	2,640	3,000	
12	Third Party Logistics Expenses	1	-	-	-	-	-	-	-	-	-	1	-	
13	Remuneration to Directors	-	-	-	-	-	-	-	-	609	555	609	555	
14	Commission to Directors	-	-	-	-	-	-	-	-	300	793	300	793	
15	Salary Paid	-	-	-	-	-	-	-	-	-	21	-	21	
16	Rent Paid	39	2	-	-	-	-	-	659	5	24	722	685	
17	Dividend paid	-	2	-	-	-	-	-	6	1309	436	1,309	438	
18	Car hire charges	-	-	-	-	-	-	-	-	-	-	-	6	
19	Professional fees paid	-	-	-	-	-	-	-	-	-	7	-	7	
20	Loans													
	Opening balance	1,765	8,164	-	-	-	-	-	-	-	-	1,765	8,164	
	Add: Loans given	2,106	801	-	-	-	-	-	-	-	-	2,106	801	
	Less: Loans received back	568	5,695	-	-	-	-	-	-	-	-	568	5,695	
	Less: Loans adjustment on account of merger (refer note 46)	734	-	-	-	-	-	-	-	-	-	734	-	
	Less: Loans converted into Preference shares	-	1,505	-	-	-	-	-	-	-	-	-	1,505	
	Closing Balance	2,569	1,765	-	-	-	-	-	-	-	-	2,569	1,765	
21	Advances													
	Opening balance	611	546	-	-	-	-	-	-	-	-	611	546	
	Add: Advances given	1,232	2,041	-	-	-	-	-	-	-	-	1,232	2,041	
	Less: Advances received back	1,574	1,788	-	-	-	-	-	-	-	-	1,574	1,788	
	Less: Advances converted to Preference Shares	-	108	-	-	-	-	-	-	-	-	-	108	
	Less: Advances converted into Preference Share Application Money	-	81	-	-	-	-	-	-	-	-	-	81	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Sr. No.	Nature of Transaction	Subsidiaries		Associates		Joint Venture		Entities over which key managerial personnel or their relatives exercises significant influence		Key Managerial Personnel and their Relative		Total	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Closing Balance	269	611	-	-	-	-	-	-	-	-	269	611
22	Interest Receivable on Loan												
	Opening balance	13	-	-	-	-	-	-	-	-	-	13	-
	Add: Interest charged on Loan	137	20	-	-	-	-	-	-	-	-	137	20
	Less: Interest received back	126	7	-	-	-	-	-	-	-	-	126	7
	Closing Balance	23	13	-	-	-	-	-	-	-	-	23	13
23	Interest Receivable on Advances												
	Opening balance	70	-	-	-	-	-	-	-	-	-	70	-
	Add: Interest charged on Advances	12	70	-	-	-	-	-	-	-	-	12	70
	Less: Interest received back	70	-	-	-	-	-	-	-	-	-	70	-
	Closing Balance	12	70	-	-	-	-	-	-	-	-	12	70
24	Deposits												
	Opening balance	112	112	-	-	-	-	2,464	2,464	-	-	2,576	2,876
	Add: Deposits given	-	-	-	-	-	-	5	1	5	-	10	1
	Less: Deposits received back	112	-	-	-	-	-	6	1	-	-	118	301
	Deposits closing balance	-	112	-	-	-	-	2,463	2,464	5	-	2,468	2,576
25	Share Application Money Pending Allotment	81	1,621	-	-	-	-	-	35	-	-	81	1,621
26	Share Application money given during the year	140	-	-	-	-	-	-	-	-	-	140	-
27	Share Application money refund received	-	-	-	-	-	-	35	-	-	-	35	-
28	Share Application Money converted into Preference Shares	1,680	4,910	-	-	-	-	-	-	-	-	1,680	4,910
29	Investments-Equity shares	15,360	18,801	-	3,316	14	-	-	-	-	-	15,374	22,117
	Investments-Preference shares	16,175	16,175	-	-	-	-	-	-	-	-	16,175	16,175
30	Trade Advances received	447	4,295	-	-	-	-	-	-	-	-	447	4,295
31	Corporate guarantee given	42,728	18,139	-	-	-	-	-	-	-	-	42,728	18,139
32	Outstanding Receivable												
	Trade receivables	1126	2,064	-	-	-	-	-	-	-	-	1,126	2,064
	Advance to supplier of goods	60	-	-	-	-	-	-	-	-	-	60	-
33	Outstanding Payable												
	a.Trade payables	840	1,339	-	9	-	-	-	-	-	-	840	1,348
	b.Directors commission payable	-	-	-	-	-	-	-	-	300	788	300	788
	c.Deposit payable	51	134	-	-	-	-	-	-	-	-	51	134
34	Sale of Fixed assets	91	-	-	-	-	-	-	-	-	-	91	-
35	Purchase of Fixed assets	1	-	-	-	-	-	-	-	-	-	1	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Details of material related party transactions which are more than 10 % of the total transactions of the same type with a related party during the year ended March 31, 2014

1. **Multimodal transport income includes income from Allcargo Belgium NV Group ₹ 5,131 Lakhs**
(Multimodal transport income during the previous year includes income earned from Allcargo Belgium NV group ₹ 5,645 Lakhs)
2. **Project and Engineering Solution Income includes South Asia Terminals Pvt. Ltd. ₹ 1,429 Lakhs, Hindustan Cargo Limited ₹ 19 Lakhs, Asia Lines Limited ₹ 1 lakh**
(Project and Engineering Solution Income during the previous year includes income from South Asia Terminals Pvt. Ltd. ₹ 1,878 Lakhs, Hindustan Cargo Limited ₹ 135 Lakhs, Asia Lines Limited ₹ 892 Lakhs)
3. **Container Freight Station income includes income from Hindustan Cargo Limited ₹ 224 Lakhs, Transindia Logistic Park Private Limited ₹ 236 Lakhs**
(Container Freight Station income during the previous year includes income from Hindustan Cargo Limited ₹ 125 Lakhs, Transindia Logistic Park Private Limited ₹ 59 Lakhs)
4. **Third Party Logistics Income includes income from Hindustan Cargo Limited ₹ 133 Lakhs**
(Third Party Logistics Income includes income from Hindustan Cargo Limited ₹ 109 Lakhs)
5. **Management Fees received includes amount received from Allcargo Belgium NV Group ₹ 123 Lakhs**
(Management Fees received during the previous year includes amount received from Allcargo Belgium NV Group ₹ 105 Lakhs)
6. **Business Support Charges received includes amount received from ECU International Far East Private Limited ₹ 810 Lakhs**
(Business Support Charges received during the previous year includes amount received from ECU International Far East Private Limited ₹ 493 Lakhs)
7. **Corporate guarantee fees received includes amount received from Allcargo Belgium NV Group ₹ 689 Lakhs , ECU Hold NV ₹ 139 Lakhs**
(Corporate guarantee fees received during the previous year ₹ Nil).
8. a) **Interest received on Loans include income from South Asia Terminals Pvt Ltd ₹ 75 Lakhs, Transindia Logistic Park Private Limited ₹ 37 Lakhs, Allcargo Logistics Park Pvt. Ltd. ₹ 18 Lakhs, AGL Warehousing Private Limited ₹ 2 Lakhs, Asia Line Ltd ₹ Nil)**
(Interest received during the previous year includes income from South Asia Terminals Pvt. Ltd ₹ 77 Lakhs, Transindia Logistic Park Private Limited ₹ Nil, Allcargo Logistics Park Pvt Ltd ₹ 22 Lakhs, AGL Warehousing Private Limited ₹ 40 Lakhs, Asia Line Ltd ₹ 40 Lakhs)
b) **Interest received on Advances include income from AGL Warehousing Private Limited ₹ 4 Lakhs, Transindia Logistic Park Private Limited ₹ 3 Lakhs, Allcargo Shipping Co. Pvt Ltd ₹ 3 Lakhs.**
(Interest received on Advances previous year include income from AGL Warehousing Private Limited ₹ Nil, Transindia Logistic Park Private Limited ₹ Nil, Allcargo Shipping Co. Pvt Ltd ₹ Nil.)
9. **Multimodal transport operation expenses includes expenses paid/payable to Allcargo Belgium NV Group ₹ 5,902 Lakhs, Transworld Logistics & Shipping Services Inc ₹ 110 Lakhs**
(Multimodal transport operation expenses during the previous year includes Allcargo Belgium NV Group ₹ 5,754 Lakhs, Transworld Logistics & Shipping Services Inc ₹ 742 lakh)
10. **Project and Engineering Solution Expense includes expenses paid/payable to Hindustan Cargo Limited ₹ 2089 Lakhs, Allcargo Belgium NV Group ₹ 202 Lakhs, MHTC Logistics Private Limited ₹ Nil**
(Project and Engineering Solution Expense during the previous year includes expenses paid to Hindustan Cargo Limited ₹ 973 Lakhs, Allcargo Belgium NV Group ₹ 214 Lakhs, MHTC Logistics Private Limited ₹ 420 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- 11. Container freight station expense includes expenses paid/payable to South Asia Terminals Pvt. Ltd. ₹ 2,590 Lakhs**

(Container freight station expense during the previous year includes South Asia Terminals Pvt. Ltd. ₹ 2,998 Lakhs)

- 12. Third Party Logistics Expense includes expenses paid/payable to Hindustan Cargo Limited ₹ 1 lakh,**

(Third Party Logistics Expense during the previous year includes Hindustan Cargo Ltd ₹ Nil)

- 13. Remuneration to Directors includes Mr.Shashi Kiran Shetty ₹ 310 Lakhs, Mr.Umesh Shetty ₹ 164 Lakhs, Mr.Adarsh Hegde ₹ 134 Lakhs)**

(Remuneration to Directors during the previous year includes Mr. Shashi Kiran Shetty ₹ 313 Lakhs, Mr.Umesh Shetty ₹ 126 Lakhs, Mr. Adarsh Hegde ₹ 117 Lakhs,)

- 14. Commission to Directors includes Mr. Shashi Kiran Shetty ₹ 150 Lakhs, Mr.Umesh Shetty ₹ 75 Lakhs, Mr. Adarsh Hegde ₹ 75 Lakhs, Mrs.Arathi Shetty ₹ Nil)**

(Commission to Directors during the previous year includes Mr. Shashi Kiran Shetty ₹ 338 Lakhs, Mr.Umesh Shetty ₹ 225 Lakhs, Mr. Adarsh Hegde ₹ 225 Lakhs, Mrs. Arathi Shetty ₹ 5 Lakhs)

- 15. Salary Paid Nil**

[Salary Paid during the previous year includes payment made to Mr. Umesh Shetty till May 30, 2012 ₹ 21 Lakhs. (With effect from June 01, 2012 Board of Directors has appointed Mr.Umesh Shetty as a Whole time Director and the remuneration paid/payable to them ₹ 126 Lakhs)]

- 16. Rent Paid includes expenses paid to Avash Builders and Infrastructure Pvt Ltd ₹ 196 Lakhs, Sealand Cranes Private Limited ₹ 102 Lakhs, Allnet Infotech Private Limited ₹ 94 Lakhs, Talentos (India) Private Limited ₹ 191 Lakhs, Mr. Shashi Kiran Shetty ₹ Nil**

(Rent Paid during the previous year includes rent paid Avash Builders and Infrastructure Pvt Ltd ₹ 262 Lakhs, Sealand Cranes Private Limited ₹ 136 Lakhs, Allnet Infotech Private Limited ₹ 126 Lakhs, Talentos (India) Private Limited ₹ 14 Lakhs, Mr. Shashi Kiran Shetty ₹ 24 Lakhs)

- 17. Dividend paid during the year to Mr. Shashi Kiran Shetty ₹ 1,224 Lakhs, MHTC Logistics Private Limited ₹ Nil.**

(Dividend Paid during the previous year includes payment made to Mr. Shashi Kiran Shetty ₹ 408 Lakhs, MHTC Logistics Private Limited ₹ 2 Lakhs).

- 18. Car hire charges include expense paid during the year ₹ Nil**

(Car hire charges during the previous year includes Transindia Freight Services Private Limited ₹ 6 Lakhs).

- 19. Professional fees include expense paid during the year ₹ Nil**

(Professional fees during the previous year includes Mrs.Shobha Shetty ₹ 7 Lakhs).

- 20. a) Loans given includes amount paid to Transindia Logistic Park Pvt Ltd ₹ 1,532 Lakhs, Hindustan Cargo Ltd ₹ 400 Lakhs, MHTC Logistics Private Limited ₹ Nil, Allcargo Logistics Park Pvt. Ltd. ₹ Nil, Allcargo Belgium NV ₹ Nil)**

(Loans given during the previous year includes amount paid to Transindia Logistics Park Private Limited Nil, Hindustan Cargo Limited Nil, MHTC Logistics Private Limited ₹ 750 Lakhs, Allcargo Logistics Park Pvt. Ltd. ₹ 20 Lakhs, Allcargo Belgium NV ₹ 10 Lakhs)

- b) Loans received back includes amount received from Hindustan Cargo Ltd ₹ 400 Lakhs, Allcargo Belgium NV ₹ 10 Lakhs, Allcargo Logistics Park Pvt. Ltd. ₹ 125 Lakhs**

(Loans received back during the previous year includes amount received from Hindustan Cargo Limited ₹ Nil, Allcargo Belgium NV ₹ 5,078 Lakhs, Allcargo Logistic Park Private Limited ₹ 7 Lakhs)

- c) Loans adjusted on account of amalgamation scheme of arrangement- MHTC Logistics Private Limited of ₹ 734 Lakhs.**

- d) Loans converted into Preference shares during the year Nil**

(Loans converted into Preference shares during the previous year includes Contech Transport Services Pvt Ltd. ₹ 1,505 Lakhs)

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- e) **Closing Balance of Loan includes Transindia Logistics Park Pvt Ltd ₹ 1,532 Lakhs, South Asia Terminals Pvt. Ltd. ₹ 846 Lakhs, Allcargo Logistics Park Pvt. Ltd. ₹ 50 Lakhs, MHTC Logistics Private Limited ₹ Nil, Allcargo Belgium NV ₹ Nil**

(Closing Balance of Loan during the previous year includes Transindia Logistics Park Pvt Ltd ₹ Nil, South Asia Terminals Pvt. Ltd. ₹ 846 Lakhs, Allcargo Logistics Park Pvt Ltd. ₹ 188 Lakhs, MHTC Logistics Private Limited ₹ 734 Lakhs, Allcargo Belgium N.V ₹ 10 Lakhs)

21. a) **Advances given includes amount paid to Allcargo Belgium NV Group ₹ 867 Lakhs, Allcargo Shipping Co. Pvt Ltd ₹ 122 Lakhs, Transindia Logistic Park Pvt Ltd ₹ 84 Lakhs.**

(Advances given during the previous year includes amount paid to Allcargo Belgium NV Group ₹ 861 Lakhs, Allcargo Shipping Co. Pvt Ltd ₹ 669 Lakhs, Transindia Logistic Park Pvt Ltd ₹ 366 Lakhs)

- b) **Advance received back includes amount received from Allcargo Belgium NV Group ₹ 1,027 Lakhs, Allcargo Shipping Co. Pvt Ltd ₹ 220 Lakhs, Transindia Logistic Park Pvt Ltd ₹ 79 Lakhs.**

(Advance received back during the previous year includes amount received from Allcargo Belgium NV Group ₹ 661 Lakhs, Allcargo Shipping Co. Pvt Ltd ₹ 573 Lakhs, Transindia Logistic Park Pvt Ltd. ₹ 353 Lakhs)

- c) **Advances converted into Preference shares during the year includes ₹ Nil**

(Advances converted into Preference shares during the previous year includes Hindustan Cargo Ltd ₹ 100 Lakhs)

- d) **Advances converted into Preference Share Application money includes ₹ Nil**

(Advances converted into Preference Share Application money during the previous year includes Contech transport Services Pvt. Ltd. ₹ 81 Lakhs)

- e) **Advances closing balance includes Allcargo Belgium NV Group ₹ 159 Lakhs, AGL Warehousing Private Limited ₹ 34 Lakhs and Transindia Logistic Park Pvt Ltd ₹ 29 Lakhs, Allcargo Shipping Co. Pvt Ltd ₹ 18 Lakhs, South Asia Terminals Pvt Ltd ₹ 4 Lakhs**

(Advances closing balance during the previous year includes Allcargo Belgium NV Group ₹ 318 Lakhs, AGL Warehousing Private Limited ₹ 53 Lakhs, Transindia Logistic Park Pvt Ltd ₹ 17 Lakhs, Allcargo Shipping Co. Pvt Ltd ₹ 116 Lakhs, South Asia Terminals Pvt. Ltd. ₹ 97 Lakhs)

22. a) **Interest charged on loan given includes South Asia Terminals Pvt Ltd ₹ 70 Lakhs, Transindia Logistics Park Pvt Ltd ₹ 33 Lakhs, Allcargo Logistics Park Pvt Ltd ₹ 16 Lakhs.**

(Interest charged on loan given to Allcargo Logistics Park Pvt Ltd in previous year is ₹ 20 Lakhs)

- b) **Interest receivable on loan received back includes amount received from South Asia Terminals Pvt Ltd ₹ 66 Lakhs, Allcargo Logistics Park Pvt Ltd ₹ 28 Lakhs, Transindia Logistics Park Pvt Ltd ₹ 23 Lakhs.**

(Interest receivable on loan received from Allcargo Logistics Park Pvt Ltd during previous year is ₹ 7 Lakhs)

- c) **Interest receivable on loan closing balance includes Transindia Logistics Park Pvt Ltd ₹ 10 Lakhs, Hindustan Cargo Ltd ₹ 6 Lakhs and South Asia Terminals Pvt Ltd ₹ 4 Lakhs**

(Interest receivable on loan closing balance from Allcargo Logistics Park Pvt Ltd during previous year is ₹ 13 Lakhs)

23. a) **Interest charged on advances given includes AGL Warehousing Private Limited ₹ 4 Lakhs, Transindia Logistics Park Pvt Ltd ₹ 3 Lakhs, Allcargo Shipping Co. Pvt Ltd ₹ 3 Lakhs.**

(Interest charged on advances given to South Asia Terminals Pvt Ltd during previous year is ₹ 70 Lakhs)

- b) **Interest charged on advances received back includes amount received from South Asia Terminals Pvt Ltd ₹ 70 Lakhs**

(Interest charged on advances received back during previous year is Nil)

- c) **Interest charged on advances closing balance includes Allcargo Shipping Co. Pvt Ltd ₹ 3 Lakhs, Transindia Logistics Park Pvt Ltd ₹ 3 Lakhs, AGL Warehousing Private Limited ₹ 4 Lakhs**

(Interest charged on advances closing balance given to South Asia Terminals Pvt Ltd during previous year is ₹ 70 Lakhs)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

24. a) **Deposit given includes amount paid to Adarsh Hegde ₹ 5 Lakhs, Panna Estates LLP ₹ 5 Lakhs, SKS Netgate LLP ₹ Nil**
(Deposit given during the previous year includes amount paid to Adarsh Hegde ₹ Nil, SKS Netgate LLP ₹ 38,000)
- b) **Deposits received back during the year includes Comptech Solutions Pvt Ltd ₹ 112 Lakhs, Mr.Shashi Kiran Shetty ₹ Nil**
(Deposits received back during the previous year includes Mr.Shashi Kiran Shetty ₹ 300 Lakhs)
- c) **Deposit receivables includes deposit paid to Avash Builders and Infrastructure Private Limited ₹ 720 Lakhs, Talentos (India) Private Limited ₹ 701 Lakhs, Sealand Cranes Private Limited ₹ 374 Lakhs, Allnet Infotech Private Limited ₹ 346 Lakhs**
(Deposit receivables during the previous year includes deposit paid to Avash Builders and Infrastructure Private Limited ₹ 720 Lakhs, Talentos (India) Private Limited ₹ 701 Lakhs, Sealand Cranes Private Limited ₹ 374 Lakhs, Allnet Infotech Private Limited ₹ 346 Lakhs)
25. **Share application money pending allotment includes Contech Transport Services Pvt Ltd ₹ 81 Lakhs, Transindia Logistic Park Private Limited ₹ Nil**
(Share application money pending Allotment during the previous year includes Contech Transport Services Pvt Ltd ₹ Nil, Transindia Logistic Park Private Limited ₹ 1,540 Lakhs)
26. **Share application money given during the year includes Transindia Logistics Park Pvt Ltd ₹ 140 Lakhs**
(Share application money given during previous year is ₹ Nil)
27. **Share application money refund received during the year includes Prominent Estate Holdings Pvt Ltd ₹ 35 Lakhs.**
(Share application money refund during previous year is ₹ Nil)
28. **Share application money converted into preference shares during the year includes Transindia Logistic Park Private Limited ₹ 1,680 Lakhs, Allcargo Shipping Co Pvt. Ltd ₹ Nil**
(Share application money converted into preference shares during the previous year includes Transindia Logistic Park Private Limited ₹ 1,540 Lakhs, Allcargo Shipping Co Pvt. Ltd ₹ 3,370 Lakhs)
29. a) **Investments-Equity shares includes Allcargo Belgium NV Group ₹ 6,848 Lakhs, Transindia Logistic Park Private Limited ₹ 5,552 Lakhs, MHTC Logistics Private Limited ₹ Nil, Gujarat Integrated Maritime Complex Private Limited ₹ Nil.**
(Investments-Equity shares during the previous year includes Allcargo Belgium NV Group ₹ 6,848 Lakhs, Transindia Logistic Park Private Limited ₹ 5,552 Lakhs, MHTC Logistics Private Limited ₹ 3,430 Lakhs, Gujarat Integrated Maritime Complex Private Limited ₹ 3,062 Lakhs)
- b) **Investments-Preference shares includes Allcargo Shipping Co. Private Limited ₹ 7,067 Lakhs, AGL Warehousing Private Limited ₹ 3,736 Lakhs, Hindustan Cargo Limited ₹ 2,320 Lakhs**
(Investments-Preference shares during the previous year includes Allcargo Shipping Co. Private Limited ₹ 7,067 Lakhs, AGL Warehousing Private Limited ₹ 3,736 Lakhs, Hindustan Cargo Limited ₹ 2,320 Lakhs)
30. **Trade advances received during the year includes Allcargo Belgium NV Group ₹ 447 Lakhs**
(Trade advances received during the previous year includes Allcargo Belgium NV Group ₹ 4,295 Lakhs)
31. **Corporate Guarantees given includes Transindia Logistic Park Private Limited ₹ 8,874 Lakhs, Allcargo Belgium NV ₹ 30,504 Lakhs**
(Corporate Guarantees given during the previous year includes Transindia Logistic Park Private Limited ₹ 9,500 Lakhs, Allcargo Belgium NV ₹ 7,472 Lakhs)

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

32. a) **Trade Receivables includes Allcargo Belgium NV Group ₹ 428 Lakhs, Contech Transport Services Pvt Ltd ₹ 217 Lakhs, ECU International Far East Private Limited ₹ 213 Lakhs, South Asia Terminals Pvt. Ltd. ₹ 159 Lakhs, Hindustan Cargo Limited ₹ 57 Lakhs, Asia Line Limited ₹ 20 Lakhs.**

(Trade Receivables during the previous year includes Allcargo Belgium NV Group ₹ 771 Lakhs, Contech Transport Services Pvt Ltd ₹ 143 Lakhs, ECU International Far East Private Limited ₹ 171 Lakhs, South Asia Terminals Pvt. Ltd. ₹ 85 Lakhs, Hindustan Cargo Limited ₹ 326 Lakhs, Asia Line Limited ₹ 476 Lakhs)

- b) **Advance to supplier includes Allcargo Belgium NV Group ₹ 11 Lakhs, Hindustan Cargo Ltd ₹ 49 Lakhs**

Advance to Supplier includes during previous year is Nil

33. a) **Trade Payables includes Allcargo Belgium NV Group ₹ 486 Lakhs, South Asia Terminals Pvt Ltd ₹ 251 Lakhs, MHTC Logistics Private Limited ₹ Nil, Hindustan Cargo Limited ₹ 38 Lakhs**

(Trade Payables during the previous year includes Allcargo Belgium NV Group ₹ 372 Lakhs, South Asia Terminals Pvt Ltd ₹ 239 Lakhs, MHTC Logistics Private Limited ₹ 515 Lakhs, Hindustan Cargo Limited ₹ 179 Lakhs)

- b) **Directors commission payable includes Mr. Shashi Kiran Shetty ₹ 150 Lakhs, Mr. Adarsh Hegde ₹ 75 Lakhs, Mr. Umesh Shetty ₹ 75 Lakhs**

(Directors commission payable during the previous year includes Mr. Shashi Kiran Shetty ₹ 338 Lakhs, Mr. Adarsh Hegde ₹ 225 Lakhs, Mr Umesh Shetty ₹ 225 Lakhs)

- c) **Deposit payable includes South Asia Terminals Pvt. Ltd. ₹ 51 Lakhs**

(Deposit payable during the previous year includes South Asia Terminals Pvt. Ltd. ₹ 134 Lakhs)

34. **Fixed Assets sold to Transindia Logistic Park Private Limited ₹ 91 Lakhs**

(Fixed Assets sold during previous year is Nil)

35. **Fixed Assets purchase from Hindustan Cargo Limited ₹ 1 Lakh**

(Fixed Assets Purchase during previous year is Nil)

36. Earnings in foreign currency

	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
Revenue from export operations		
- Multi-modal transport operations	7,097	7,872
- Project and engineering solutions	778	1,871
- Third party logistics	-	29
Other income		
- Business support charges	822	493
- Management Fees	123	105
- Corporate Guarantee Commission/SBLC charges	828	-
	9,648	10,370

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

37. Expenditure in foreign currency

	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
Professional and consultation fees	34	-
Others:		
a) Operating expenses		
Multi-modal transport operations	8,943	9,553
Project & Engineering Solutions	1,558	2,367
Third Party Logistics	-	7
b) Business promotion expenses	44	4
c) Membership and subscription	5	5
d) Travel expenses	52	77
e) Other expenses	3	-
	10,639	12,013

38. Value of Imports on CIF basis

	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
Capital goods	807	2,573
Stores and spare parts	170	95
	977	2,668

39. Details of imported stores and spare parts consumed during the financial year

	(₹ in Lakhs)			
	March 31, 2014		March 31, 2013	
	Value	% of total consumption	Value	% of total consumption
Imported	158	8	95	5
Indigenous	1887	92	1,854	95
	2,045	100	1,949	100

40. Dividend remittances in foreign currency

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders which were declared during the year, are as under:

	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
Year ended to which the dividend related	March 31, 2013	March 31, 2012
Final Dividend:		
Number of non-resident shareholders	191	177
Number of Equity shares held by them	31,791,598	29,887,578
Gross amount of dividend (₹)	477	149

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

41. Loans and advances in the nature of loans given to subsidiaries etc.

(₹ in Lakhs)

Loans and Advances in the nature of loans to subsidiary Companies:

	Name of the company	Balance as at		Maximum outstanding during the year	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
1	Allcargo Logistics Park Pvt. Ltd..	50	188	188	188
2	Allcargo Belgium N.V	-	10	12	5,078
3	Transindia Logistic Park Private Limited	1,532	-	1,532	12
4	South Asia Terminals Pvt. Ltd..	846	846	916	896
5	AGL Warehousing Private Limited	50	-	50	-
6	Comptech Solutions Pvt Ltd	78	-	78	-
7	Combiline India Agencies Pvt Ltd	12	-	12	-

Note: In all the above companies one or more director is a director or member and there is no repayment schedule.

42. Investment in joint ventures

The Company has entered into a share purchase agreement on June 20, 2012 with IL&FS Maritime Infrastructure Company Limited (IMICL) for sale of its 45% stake (representing 45,000 equity shares of ₹ 10 each) in Gujarat Integrated Maritime Complex Private Limited (GIMCO) and 50% stake (representing 4,674,807 equity shares of ₹ 10 each) in Sealand Warehousing Private Limited (SWPL). During previous period, the Company has, in accordance with the provisions of the said Agreement and on fulfilment of certain terms and conditions, transferred 19,000 equity shares of GIMCO and 2,243,907 equity shares of SWPL to IMICL against agreed consideration. W.e.f June 21, 2012 post sale and transfer of equity shares as aforesaid, the Company was holding 26% stake in GIMCO and SWPL and accordingly the interests in the joint ventures are reported as non-current investments (refer note 15) and stated at cost.

- (A) During the current year, on fulfilment of all the contractual obligation and on receipt of the balance agreed consideration the Company has transferred the balance 26,000 equity shares of GIMCO and 2,430,900 equity shares of SWPL to IMICIL. The net income booked for the current year is ₹ 27 Lakhs (previous year: ₹ 20 Lakhs)

The Company's interests in joint ventures is accounted, in accordance with the principles and procedures set out in AS – 27, 'Financial Reporting of Interests in Joint Ventures' specified in the Companies (Accounting Standards) Rules, 2006.

S r. No.	Joint Venture	Location	Principal Activities	Ownership Interest
1	Transnepal Freight Services Private Limited	Nepal	Container Freight Stations	50%

- (B) The interest in the joint ventures are reported as long-term investments (refer note 15) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses etc. related to its interest in the joint ventures, based on unaudited financial statement is:

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
I. ASSETS		
Fixed assets	50	41
Investments	3	3
Current assets, loans and advances		
a) Cash and bank balances	43	10
b) Loans and advances	18	17
II. LIABILITIES		
Share capital (including bonus issue)	14	14
Share application money	-	-
Reserves & surpluses	89	21
Loan funds	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31, 2014	March 31, 2013
Current liabilities		
a) Liabilities	10	36
b) Provisions	1	-
III. INCOME		
Operating revenue	252	200
Other income	1	4
IV. EXPENSES		
Operating expenses	114	130
Employee benefit expenses	36	34
Admin and other expenses	28	19
Depreciation	7	4
Provision for taxation (including deferred taxation and Provision for tax for earlier years written back, net)	-	-
V. Contingent liabilities	-	-
VI. Capital Commitments	-	-

43. Transfer pricing*International and Specified domestic transactions with related parties*

The Company's international and specified domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2013. Management believes that the Company's international and specified domestic transactions with related parties post March 31, 2013 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

44. Employee stock options

- a) In 2006, the Company had instituted an 'Allcargo Employee Stock Option Plan 2006' (ESOS 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 compensation/remuneration committee of the Board evaluates the performance and other criteria of employees and approves the grant of options. The employees are granted an option to purchase shares of the Company at the respective exercise price, subject to the requirements of vesting conditions. These options generally vest over a period of 24 to 48 months from the date of grant. Upon vesting, the employees can acquire one equity share for each option. The maximum contractual term for these stock option plan is generally 7 years. The Company granted stock options to be adjusted for 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 grade.
- b) The stock compensation cost is computed under the intrinsic value method and amortised on a straight line basis over the vesting period of 7 years.
- c) The particulars of options granted under the said ESOS 2006 plans are tabulated below: (₹ in Lakhs)

Particulars	Period ended March 31, 2014			Period ended March 31, 2013		
	No. of options		Weighted average price	No. of options		Weighted average price
	Series I (Pre Listing)	Series II (Post Listing)		Series I (Pre Listing)	Series II (Post Listing)	
Outstanding at the beginning of the year	-	30,000	₹ 2	18,555	38,500	₹ 2
Granted	-	-	-	-	-	-
Exercised	-	5,000	₹ 2	*4,300	-	₹ 2
Forfeited and lapsed	-	25,000	₹ 2	14,255	8,500	₹ 2
Outstanding at the end of the year	-	-	₹ 2	-	30,000	₹ 2

*Includes share application money received, pending allotment of shares.

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

The options outstanding at March 31, 2013 have an exercise price of ₹ 2 and a weighted average contractual life of 6 months.

As permitted by the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI guidelines') as well as by the guidance note on the subject issued by the Institute of Chartered Accounts of India, the Company has elected to account for stock options based on their intrinsic value (i.e. the excess of quoted market price of the underlying share over the exercise price) at the grant date rather than their fair value at that date. Had the compensation cost for employee stock options been determined on the basis of the fair value approach as described in the SEBI guidelines (and ICAI guidance note), the Company's net profit after tax and basic and diluted earnings per share would have been as per the proforma amounts shown below:

Particulars	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
Net profit after tax as reported	5,612	11,555
Add: Employee stock option compensation expense as per intrinsic value method	-	-
Less: Employee stock option compensation expense as per fair value	-	-
Adjusted proforma net profit after tax	5,612	11,555
Basic Earnings per share as reported	4.45	9.0
Basic Earnings per share – proforma	4.45	9.0
Diluted Earnings per share as reported	4.45	9.0
Diluted Earnings per share – proforma	4.45	9.0

- d) As at the year end, all the options granted under the said scheme has exercised / lapsed and hence there are no outstanding options as at the year end.

45. Derivative instruments

The Company uses derivative and forward contracts to hedge its risks associated with foreign currency fluctuations. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments consistent with the Company's Risk Management Policy. The Company does not use these contracts for trading or speculative purposes. The Company has marked to market the derivative contract outstanding as at March 31, 2014 which has resulted in a net gain to the Company. The Company has not recognised the resulted gain of ₹ 2,111 Lakhs, on prudent basis which is notional in nature.

Particulars of outstanding Derivative Instrument acquired for hedging	As at March 31, 2014			
	No. of Instruments	Currency	Foreign currency in Lakhs	₹ in Lakhs
a) Principal Only Swap (to hedge buyers credit)	-	-	-	-
b) Principal and Interest Rate Currency Swaps (to hedge buyers credit)	20	USD	217	10,984
c) Forward Contracts towards foreign currency term loan	5	USD	60	4,010

Particulars of outstanding Derivative Instrument acquired for hedging	As at March 31, 2013			
	No. of Instruments	Currency	Foreign currency in Lakhs	₹ in Lakhs
Principal Only Swap (to hedge buyers credit)	5	USD	60	3,079
	4	EUR	6	365
Principal and Interest Rate Currency Swaps (to hedge buyers credit)	2	SGD	16	534
	23	USD	259	12,733

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Unhedged foreign currency exposures

The foreign currency exposure not covered by forward contracts / other derivative contracts as on March 31, 2014 and March 31, 2013 is given below:

March 31, 2014			March 31, 2013		
Currency	Foreign currency in Lakhs	₹ in Lakhs	Currency	Foreign currency in Lakhs	₹ in Lakhs
Trade and other creditors					
USD	22.96	1,380	USD	8.40	457
EUR	0.01	1	EUR	0.04	3
GBP (GBP 107 : INR 10,684)	0.00	0			
		1,381			460
Trade Receivables					
USD	8.01	482	USD	17.57	956
EUR	1.41	117	EUR	0.09	6
		599			962

(₹ in Lakhs)

March 31, 2014			March 31, 2013		
Currency	Foreign Currency	₹ in Lakhs	Currency	Foreign Currency	₹ in Lakhs
Advance from customers					
EUR	5.73	473	EUR	12.15	845
USD	-	-	USD	63.44	3,450
		473			4,295
Buyer's credit					
SGD	-	-	SGD	50.30	2,205
USD	109.32	6,570	USD	378.89	20,607
		6,570			22,812

46. Amalgamation of MHTC Logistics Private Limited with the Company

Scheme of Arrangement between MHTC Logistics Private Limited and the Company:-

During the year, MHTC logistics Private Limited (hereinafter referred to as "MHTC"), a wholly owned subsidiary of the Company, incorporated with the main object to do Project Logistics as well as Freight forwarding business, was amalgamated into the Company pursuant to the Scheme of Amalgamation (hereinafter referred to as "Scheme"), as on and from April 01, 2012, being the appointed date pursuant to the approval of Board of Directors and shareholders of the Company and sanctioned by the Honourable High Court of Bombay vide its order dated December 06, 2013 which was filed with Registrar of Companies on January 24, 2014.

The Company has carried out the accounting treatment prescribed in the Scheme as approved by the Honourable High Court of Bombay. The required disclosures for accounting of Scheme as per the "Pooling of Interest Method" as given under Accounting Standard 14 (AS 14) "Accounting for Amalgamations" as prescribed under the Companies (Accounting Standards) Rules 2006 have been provided.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Hence, in accordance with the Scheme:

- i. The Company has taken over all the assets aggregating to ₹ 3,539 Lakhs and liabilities aggregating to ₹ 2,081 Lakhs at their respective book values. Also, as per the Scheme, the identity of reserves of MHTC is required to be maintained by the Company as on the appointed date which was aggregating to ₹ 1,438 Lakhs. On cancellation of investments made by the Company in MHTC against their share capital as on the appointed date, there was a deficit of ₹ 3,410 Lakhs. As per the Scheme approved by the Honourable High Court of Bombay, such deficit is required to be debited to the "Goodwill Account" of the Company.

In terms of the scheme, following assets acquired and liabilities discharged are as under:

Particulars	Amount (₹ in Lakhs)
Trade Receivables	1582
Non-current investments	665
Tangible Assets	668
Cash and cash equivalents	292
Other current assets	216
Short-terms loans and advances	58
Deferred tax assets	44
Long-term loans and advances	14
Total assets acquired	3,539
Short –term borrowings	1,071
Trade payables	518
Long-term borrowings	262
Other current liabilities	208
Long term provisions	19
Short term provisions	3
Total liabilities discharged	2,081
Surplus in Statement of profit and loss	26
General reserves	1,412
Total reserves acquired	1,438

- ii. No consideration is payable or receivable on implementation of the Scheme as the Scheme involves a wholly owned Subsidiary.
- iii. Prior to appointed date, MHTC was holding 373,491 equity shares of the Company. As a consequence of and as per the Scheme the aforesaid investment of MHTC in the Company has been cancelled and accordingly the share capital of the Company stands reduced by ₹ 7 Lakhs and the Securities Premium Account of the Company stands reduced by ₹ 635 Lakhs.

Had the Scheme not prescribed the aforementioned accounting treatment and the Company had followed the accounting treatment prescribed under AS 14, there would not have been any Goodwill on Merger arising out of deficit arising against cancellation of Investment against share capital of the amalgamating company, as mentioned in point no. (i) above and the General Reserves of the Company would have been lower by ₹ 3,410 Lakhs.

In terms of the Scheme, the appointed date of the amalgamation being April 01, 2012, the net loss of MHTC for the financial year 2012-13 aggregating to ₹ 88 Lakhs has been adjusted in the surplus in Statement of profit and loss under Reserves and Surplus.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

46. Amalgamation of MHTC Logistics Private Limited with the Company (Continued)

Scheme of Arrangement between MHTC Logistics Private Limited and the Company (Continued):-

The net results of the transactions relating to above arrangement for the period from April 01, 2012 upto March 31, 2013 are summarised as under:

Particulars		Amount (in ₹ Lakhs)
Revenue		
Revenue from operations		642
Other Income		10
	(A)	652
Expenses		
Employee Benefit expenses		(46)
Finance cost		(40)
Depreciation		355
Other expenses		(827)
	(B)	558
Profits Before tax		94
Current tax		(19)
Deferred tax		(182)
MAT Credit		19
Loss transferred to Statement of profit and loss		(88)

During the year, as MHTC carried on its existing business in trust for and on behalf of the Company, all vouchers, documents etc. for the year are in the name of MHTC Logistics Private Limited. Further, the title deeds for the immovable properties pertaining to amalgamating company are pending conveyance in the name of the Company.

The Goodwill arising on account of merger amounting to ₹ 3,410 Lakhs has been fully amortised by the Company during the current year.

47. Buy back of shares

The Board of Directors of the Company in its meeting held on June 20, 2012 approved the buyback of 5,263,158 equity shares of ₹ 2 each fully paid at prices not exceeding ₹ 142.50 per equity shares payable in cash, up to an aggregate amount not exceeding ₹ 7,500 Lakhs from the open market through stock exchange(s).

During the previous year, the Company has bought back and extinguished 4,136,449 equity shares at an average price of ₹ 139.69 per equity share for an aggregate amount of ₹ 5,817 Lakhs (inclusive of transaction cost). Since the Company had completed 78% of the buyback offer within a period of 8 months, the Company has announced closure of buyback of its shares with effect from March 04, 2013.

During the previous year, pursuant to the buy back of shares as aforesaid, the issued, subscribed and paid up capital of the Company reduced from ₹ 2,604 Lakhs comprising of 130,173,831 equity shares of ₹ 2 each fully paid-up to ₹ 2,521 Lakhs comprising of 126,037,382 shares of ₹ 2 each fully paid-up.

- 48. a)** Loans and advances include ₹ 2,668 Lakhs (previous year: ₹ 1,343 Lakhs) due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

STANDALONE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ In Lakhs)

	Name of the company	Balance as at	
		March 31, 2014	March 31, 2013
1	Allcargo Shipping Co. Private Limited	18	116
2	Allcargo Logistics Park Pvt. Ltd..	70	206
3	AGL Warehousing Private Limited	84	53
4	Transindia Logistic Park Private Limited	1,562	24
5	Amfin Consulting Private Limited(previous year: ₹ 2,750)	3	-
6	South Asia Terminals Pvt. Ltd.	850	944
7	ECU Line (India) Pvt Ltd (previous year: ₹ 33,426)	-	-
8	Comptech Solutions Pvt Ltd	81	-
	Total	2,668	1,343

- b) Trade receivables (unsecured, considered good) include ₹ 408 Lakhs (previous year: ₹ 321 Lakhs) due from directors or other officers, or any of them, either severally or jointly with any other person or from firms or private companies in which any director is a partner or a director or member.

(₹ In Lakhs)

Name of the company	Balance as at March 31, 2014	Balance as at March 31, 2013
South Asia Terminals Pvt Ltd	159	85
Contech Transport Services Pvt Ltd	217	143
Transindia Logistic Park Pvt Ltd	12	88
Allcargo Logistics Park Pvt Ltd	20	3
Comptech Solutions Pvt Ltd	-	2
Allcargo Shipping Co. Pvt Ltd (₹ 24,039)	-	-
	408	321

49. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated February 08, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with Section 212 of the Act, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

50. Prior year comparatives

Pursuant to the amalgamation of MHTC Logistics Private Limited, the figures for the current year are not strictly comparable to those of the previous year.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W

Aniruddha Godbole
Partner
Membership No: 105149

For Appan & Lokhandwala Associates
Chartered Accountants
Firm's Registration No: 117040W

M.Subramanian
Partner
Membership No: 111106

For and on behalf of Board of Directors

Shashi Kiran Shetty
Chairman and
Managing Director

Keki Elavia
Director

Jatin Chokshi
Chief Financial Officer

Shailesh Dholakia
Company Secretary

Mumbai
May 24, 2014

Mumbai
May 24, 2014

Mumbai
May 24, 2014





INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Allcargo Logistics Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Allcargo Logistics Limited ('the Company') its subsidiaries, associates and joint ventures (collectively referred to as 'the Group') which comprise of the consolidated Balance sheet as at March 31, 2014, the consolidated statement of profit and loss and the consolidated cash flow statement (collectively referred to as 'consolidated financial statements') for the year then ended, annexed thereto, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded Section 211 (3C) of the Companies Act, 1956 w.e.f. 12 September 2013). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

We report that, the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS 21) on Consolidated Financial Statements, Accounting Standard (AS 23) Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard (AS 27) on Financial reporting of interests in Joint ventures as prescribed by the Companies (Accounting Standard's) Rules, 2006.

In our opinion, and to the best of our information and according to the explanations given to us, and on consideration of reports of other auditors on separate financial statements, and on the other relevant financial information of the subsidiaries and joint ventures, 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 31 March 2014;
- (b) in the case of the consolidated Statement of profit and loss, 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.

Emphasis of matter

Without qualifying our opinion, we draw attention to the note 42 to the consolidated financial statements regarding the Scheme of Amalgamation ('the scheme') sanctioned by the Hon'ble High Court of Judicature at Mumbai. The scheme permits the Company to adjust the deficit of ₹ 3,410 Lakhs arising against cancellation of Investment against the share capital of the amalgamating company to goodwill, which is considered to be an override to the relevant provisions of Accounting Standard 14 (AS 14) 'Accounting for Amalgamations'. Had such deficit not being adjusted to goodwill, the Group would have reflected such deficit of ₹ 3,410 Lakhs to general reserves. Our opinion is not qualified in respect to this matter.

Other matters

1. We have not audited the financial statements and other financial information of certain subsidiaries whose financial statements reflect the Group's share of total assets of ₹ 171,835 Lakhs as at March 31, 2014 and the Group's share of total revenues of ₹ 371,560 Lakhs for the year ended on that date, and net cash outflows amounting to ₹ 2,824 Lakhs for the year ended on that date as considered in these consolidated financial statements. These financial statements and other financial information 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 these subsidiaries based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.
2. The financial statements of certain subsidiaries for the year ended 31 March 2014 have been audited by one of the joint auditors, Appan & Lokhandwala Associates, Chartered Accountants. The attached consolidated financial statements include assets of ₹ 33,607 Lakhs as at March 31, 2014, revenues of ₹ 8,975 Lakhs and net cash inflows amounting to ₹ 333 Lakhs in respect of the aforementioned subsidiaries for the year then ended. Our opinion is not qualified in respect of this matter.
3. The financial statements and other financial information of certain subsidiaries and joint venture whose financial statements reflect the Group's share of total assets of ₹ 2,315 Lakhs as at March 31, 2014, total revenues of ₹ 16,734 Lakhs and cash outflows amounting to ₹ 119 Lakhs for the year then ended in these consolidated financial statements have not been audited by us or by other auditors and the unaudited financial statements as certified by management/approved by respective Board of Directors of these companies as at and for the year ended 31 March 2014 have been included in these consolidated financial statements, as these are not material to the consolidated financial statements. Our opinion is not qualified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W

For Appan & Lokhandwala Associates

Chartered Accountants

Firm's Registration No: 117040W

Aniruddha Godbole

Partner

Membership No: 105149

M. Subramanian

Partner

Membership No: 111106

May 24, 2014

Mumbai

May 24, 2014

Mumbai

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

		(₹ in Lakhs)	
Particulars	Notes	March 31, 2014	March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	6	2,524	2,524
Reserves and surplus	7	176,788	156,042
		179,312	158,566
Share application money, pending allotment		-	-
(₹ Nil; previous year ₹ 8,600)			
Minority interest		4,633	4,330
Non-current liabilities			
Long-term borrowings	8	52,075	38,259
Deferred tax liability (net)	9	10,453	9,434
Other long-term liabilities	10	3,379	163
Long-term provisions	11	3,265	2,088
		69,172	49,944
Current liabilities			
Short-term borrowings	12	9,198	7,251
Trade payables	13	46,681	31,684
Other current liabilities	14	51,236	43,415
Short-term provisions	11	2,752	4,101
		109,867	86,451
Total		362,984	299,291
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	15	132,475	132,969
Intangible fixed assets	16	5,279	3,904
Capital work-in-progress	15	731	1,239
Intangible fixed assets under development	16	34	154
Goodwill on consolidation		87,099	46,023
Non-current investments	17	5,556	9,206
Long-term loans and advances	18	25,392	26,665
Other non-current assets	19	294	283
		256,860	220,443
Current assets			
Current investments	20	13,468	9,385
Inventories	21	1,141	1,105
Trade receivables	22	57,150	38,245
Cash and bank balances	23	16,469	13,819
Short-term loans and advances	24	13,222	12,332
Other current assets	19	4,674	3,962
		106,124	78,848
TOTAL		362,984	299,291
Significant accounting policies	1-5		
Notes to the consolidated financial statements	6-43		

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W

For Appan & Lokhandwala Associates
Chartered Accountants
Firm's Registration No: 117040W

For and on behalf of Board of Directors

Aniruddha Godbole
Partner
Membership No: 105149

M.Subramanian
Partner
Membership No: 111106

Shashi Kiran Shetty
Chairman and
Managing Director

Keki Elavia
Director

Jatin Chokshi
Chief Financial Officer

Shailesh Dholakia
Company Secretary

Mumbai
May 24, 2014

Mumbai
May 24, 2014

Mumbai
May 24, 2014



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

	Notes	March 31, 2014	March 31, 2013
Revenue from operations			
Sale of services	25	484,520	392,549
Other operating revenues	25	1,423	78
		485,943	392,627
Other income	26	3,650	6,618
Total revenue		489,593	399,245
Expenses			
Employee benefits expenses	27	72,762	56,340
Finance costs	28	5,632	4,144
Depreciation and amortization	29	17,546	14,735
Other expenses	30	374,050	300,671
Total expenses		469,990	375,890
Profit before exceptional items and tax		19,603	23,355
Exceptional items	31	-	1
Net profit before tax		19,603	23,354
Tax expenses:			
a) Current tax		3,746	6,323
Less: MAT credit entitlement		(980)	(3,126)
		2,766	3,197
b) Prior year credit		(1)	-
c) Deferred tax charge		1,394	1,924
Net profit before share of profit of associates and share of profit of Minority Interest		15,444	18,233
Less: Profit attributable to Minority Interest		(511)	(1,294)
Add: Share of profit of associates		-	35
Profit for the year		14,933	16,974
Earnings per share of face value of ₹ 2 each before exceptional items	32		
Basic (in ₹)		11.8	13.3
Diluted (in ₹)		11.8	13.3
Earnings per share of face value of ₹ 2 each after exceptional items	32		
Basic (in ₹)		11.8	13.3
Diluted (in ₹)		11.8	13.3
Significant accounting policies	1-5		
Notes to the consolidated financial statements	6-43		

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W

For Appan & Lokhandwala Associates
Chartered Accountants
Firm's Registration No: 117040W

For and on behalf of Board of Directors

Aniruddha Godbole
Partner
Membership No: 105149

M.Subramanian
Partner
Membership No: 111106

Shashi Kiran Shetty
Chairman and
Managing Director

Keki Elavia
Director

Jatin Chokshi
Chief Financial Officer

Shailesh Dholakia
Company Secretary

Mumbai
May 24, 2014

Mumbai
May 24, 2014

Mumbai
May 24, 2014



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
A. Cash flow from operating activities		
Profits before taxation, share of profit/loss of associates and minority interest	19,603	23,354
Adjustment for:		
Depreciation / amortisation on fixed assets/investment property	17,546	14,735
Gain on cancellation/settlement of derivatives	(1,479)	(4,434)
(Reversal)/provision for doubtful debts	(820)	3,133
Provision for doubtful advances	12	-
Interest expense	5,632	4,144
Interest income	(308)	(447)
Dividend income	(54)	(42)
Profit on sale of fixed assets	(167)	(365)
Rental Income	(419)	(233)
Profit on sale of current investments (net)	(480)	(806)
Profit on sale of trade investments (net)	(88)	(1)
Expense written back on lapse of employee stock options	(39)	(34)
Operating profit before working capital changes	38,939	39,004
Adjustment for:		
Decrease / (Increase) in trade receivable	4,052	(5,212)
(Increase) / decrease in loans and advances	(4,801)	2,180
(Increase)/ decrease in inventories	(36)	146
(Increase)/ decrease in unbilled revenue	(210)	890
(Decrease)/ Increase in trade payables and current liabilities	(4,027)	1,296
Increase in provisions for retirement benefits	881	479
Cash generated from operating activities	34,798	38,783
Taxes paid (net of refunds)	(3,726)	(6,341)
Net cash flow provided by operating activities (A)	31,072	32,442
B. Cash flow from investing activities		
Purchase of fixed assets	(15,584)	(19,401)
Cash paid for acquisition net of cash acquired	(30,624)	-
Proceeds from sale of trade investments	26	4,726
Proceeds from sale of non current investments	1,201	-
Acquisition of investment property	-	(34)
Share application money paid	-	(218)
Refund of share application money	35	785
Proceeds from sale of fixed assets	2,685	440
(Purchase)/proceeds from sale of current investments (net)	(3,600)	(4,255)
Opening cash balance of Joint venture	10	-
Opening cash balance of subsidiaries	-	12
Inter-Company deposits given	-	(2,045)
Inter-Company deposits realised	1,682	2,038
Rent received	419	233
Bank deposits placed (having original maturity of more than three months)	(411)	359
Redemption/maturity of bank deposits (having original maturity of more than three months)	590	(529)
Dividend received	54	42
Payment to Minority Group	(691)	(1,321)
Proceeds from sale of Equity shares to Minority Group	-	80
Proceeds share application money received from Minority Group	-	686
Interest income	308	447
Net cash flows (used in) investing activities (B)	(43,900)	(17,955)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

	March 31, 2014	March 31, 2013
C. Cash flow from financing activities		
Proceeds from long term borrowings	58,616	13,134
Repayment of long term borrowings	(40,449)	(16,728)
Proceeds from short term borrowings	8,649	-
Repayment of short term borrowings from banks(net)	(7,225)	(2,036)
Buyback of equity shares of the Company	-	(5,818)
Share application money pending allotment {(₹ Nil) (previous year: ₹ 8,600)}	-	-
Bills of exchange (net)	500	103
Interest paid	(5,856)	(5,382)
Dividend and dividend tax paid	(2,219)	(743)
Realisation/settlement of derivatives	1,479	3,007
Net cash flow (used in)/ provided by financing activities (C)	13,495	(14,463)
Net increase / (decrease) in cash and cash equivalent (A+B+C)	667	24
Opening Balance of Cash and Cash equivalents (refer note 4 below)	13,139	12,895
Add/(Less): Exchange Difference on Translation of Foreign Currency Cash and cash Equivalents on Opening Cash and Cash Equivalents	2,158	220
Closing balance of Cash and Cash equivalents (refer note 2 below)	15,964	13,139
	667	24
Notes:		
1) The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard (AS)-3, Cash Flow Statement prescribed in the Companies (Accounting Standard) Rules, 2006.		
2) Cash and cash equivalents at year end comprises:		
Cash on hand	250	303
Balances with scheduled banks		
- current accounts	15,224	12,496
- fixed deposit accounts	487	11
- exchange earner's foreign currency account	-	327
-dividend account	2	2
Cheques/drafts on hand	1	-
	15,964	13,139

- 3) During the previous year, the Company has discontinued the use of proportionate consolidation from the date it has ceased to exercise joint control over jointly controlled entities. The effect on account of the same has not been considered in the above cash flow statement
- 4) During the current year, the Company has consolidated a joint venture company which was not consolidated in the earlier year as the operations of the same were not considered to be material. The effect on account of consolidation of the opening balance has not been considered in the above cash flow statement except for opening cash and bank balance which have been disclosed under cash flow from investing as "opening cash balance of joint venture" amounting to 10 Lakhs.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No: 101248W

Aniruddha Godbole

Partner
Membership No: 105149

For Appan & Lokhandwala Associates

Chartered Accountants
Firm's Registration No: 117040W

M.Subramanian

Partner
Membership No: 111106

For and on behalf of Board of Directors**Shashi Kiran Shetty**

Chairman and
Managing Director

Keki Elavia

Director

Jatin Chokshi

Chief Financial Officer

Shailesh Dholakia

Company Secretary

Mumbai
May 24, 2014

Mumbai
May 24, 2014

Mumbai
May 24, 2014



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1 Company overview

Allcargo Logistics Limited ('the Company') was incorporated on 18 August 1993 and is a leading multinational company engaged in providing integrated logistics solutions and offers specialised logistics services across multimodal transport operations, inland container depot, container freight station operations, third party logistics operations and project and engineering solutions. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2 Principles of consolidation

The consolidated financial statements relate to Allcargo Logistics Limited ('the Company') and all of its subsidiary companies and companies controlled, that is, companies over which the Company exercises control / joint control over ownership and voting power and the associates and joint ventures (herein after collectively referred to as 'the Group'). The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-Group balances and intra-Group transactions and resultant unrealized profits or losses in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government under Section 211 (3C) of the Companies Act, 1956 read with the General Circular 15 / 2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, in consultation with the National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of the Companies Act, 1956 ('the Act'), to the extent applicable. The financial statements are presented in India rupees rounded off to the nearest Lakhs.
- b. In translating the financial statements of a non-integral operation for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral operation are translated at the closing exchange rate; income and expense items of the the non-integral operation are translated using the average exchange rates prevailing during the reporting period. All resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of the net investment.
- c. On the disposal/closure of a non-integral operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or expense in the same period in which gain/loss on disposal of the operation is recognised.
- d. Investments in subsidiaries are eliminated and differences between the costs of investment over the net assets on the date of the investment in subsidiaries are recognised as goodwill or capital reserve, as the case may be.
- e. Minority interest's share 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 equity shareholders of the Company.
- f. Minority's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet as a separate item from liabilities and the shareholders' equity.
- g. Investments in Joint Venture are dealt in accordance with Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" using the proportionate consolidation method. The Company discontinues the use of proportionate consolidation from the date it ceases to have joint control over a jointly controlled entity but retains, either in whole or in part, its interest in the jointly controlled entity. From the date of discontinuing the use of the proportionate consolidation, interest in the jointly controlled entity is accounted as an investment in accordance with Accounting Standard (AS) 13 "Accounting for Investments", or in accordance with Accounting Standard (AS) 23 "Accounting for investments in associates in consolidated financial statements" as appropriate. For this purpose, cost of the investment is determined as the Company's share in the net assets of the jointly controlled entity as at the date of discontinuance of proportionate consolidation and is adjusted with the carrying amount of the relevant goodwill/capital reserve, if any.
- h. Investment in associates, where the Company directly or indirectly through Subsidiaries holds 20% or more of equity, are accounted for using equity method in accordance with Accounting Standard (AS) – 23 "Accounting for investments in associates in consolidated financial statements". The Company accounts for its share in the change of the net assets of the associates, post acquisition after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the Associates' statement of profit and loss, based on available information.
- i. If, under the equity method, the Company's share of losses of an associate equals or exceeds the carrying amount of the investment, the Company discontinues recognizing its share of further losses and the investment is reported at nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

value. Additional losses are provided for to the extent that the Company has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Company has guaranteed or to which the Company is otherwise committed. If the associate subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognised.

- j. Goodwill on consolidation represents the excess of purchase consideration over the net book value of assets acquired of the subsidiaries as on the date of investment. Goodwill on consolidation is not amortised but is tested for impairment on each balance sheet date and impairment losses are recognised, where applicable.
- k. 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 standalone financial statements. However, in case of depreciation it was not practicable to use uniform accounting policies in case of subsidiaries as mentioned in note 3 (c).
- l. The financial statements of the entities used for the purpose of consolidation are drawn upto the same reporting date as that of the parent Company, i.e. March 31, 2014.
- m. Investments other than in subsidiaries, associates and joint ventures are accounted as per the Accounting Standard (AS) 13 – "Accounting for Investments".

3 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements except as explained in the note 4 on changes in accounting policies made in the previous year ended March 31, 2013.

(a) Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government under Section 211 (3C) of the Companies Act, 1956 read with the General Circular 15 / 2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, in consultation with the National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of the Companies Act, 1956 ('the Act'), to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest Lakhs.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of the services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

(b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

(c) Fixed assets and depreciation/amortization

Fixed assets are stated at cost less accumulated depreciation / amortization and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Until March 31, 2012, in respect of accounting period commencing on or after December 07, 2006 and ended on or before March 31, 2011, further extended to period ended on or before March 31, 2012 and subsequently extended till period ending on or before March 31, 2020, consequent to the insertion of paragraph 46 of Accounting Standard (AS) -11 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, [as more fully explained in Note no.3(n)], the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items as at the balance sheet date in so far as they relate to the acquisition of such assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Further, with effect from April 01, 2012, pursuant to the notification dated 29 December 2011, issued by the Ministry of Corporate Affairs inserting the paragraph 46A of the Accounting Standard (AS) 11 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, the Group opted to record foreign exchange transaction for all long term monetary liabilities, as per paragraph 46A of AS-11 (refer note 4).

Advance paid/ expenditure incurred on acquisition / construction of fixed asset or assets which are not ready for their intended use at each balance sheet date are disclosed under loans and advances on capital account or capital work-in-progress respectively.

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Depreciation on fixed assets (including on investment property) except leasehold improvements and ocean going ships is provided on straight line method in the manner and rates prescribed in Schedule XIV to the Act for the Group (excluding foreign subsidiaries). Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

Leasehold improvements are amortized over the primary period of lease.

On ocean going ships, depreciation is charged on remaining estimated useful life of asset under straight line method.

Assets costing less than ₹ 5,000 are fully depreciated in the year of acquisition.

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.

Asset class	Rate	Amount included in gross block* (₹ in Lakhs)	Amount included in net block* (₹ in Lakhs)
Buildings	2%-10%	17,493	9,764
Plant and machinery	10%-33%	3,212	879
Furniture and fixtures	10%-33%	9,294	2,458
Other tangible assets	20%-33%	1,107	619

* The impact of depreciation due to difference in depreciation rates is not material and hence the same is ignored.

(d) Intangible assets and amortisation

Intangible assets, other than goodwill on consolidation comprises of computer software, research and development rights, non compete agreement arising on account of Econocaribe acquisitions, licenses, leasing and software. The intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured. Acquired intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortised on a straight line basis method as per the rates mentioned below:

Asset class	Rate of amortisation
Research and development	20%
Patent and licenses	20%
Non compete agreement (on account of acquisition)	20%
Software	20%
Leasing and similar rights	20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**(e) Impairment of assets**

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. 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 are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investment" in consonance with the current/ non-current classification scheme of Revised Schedule VI. Long term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

(g) Investment property

Investment in land or buildings that are not intended to be occupied substantially for use by, or in operations of the Company or held for rental purpose is classified as investment property. It is measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition or construction of the investment property. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the property) is recognized in statement of profit and loss.

(h) Inventories

Inventories include spares and consumables for heavy equipment assets, bunker and lube oil. The same is valued at cost or net realisable value whichever is lower. The cost is determined on first in first out basis and includes all charges incurred for bringing inventories to their present condition and location.

(i) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

i) Multimodal Transport Income:

Export revenue is recognised on sailing of vessel and import revenue is recognised upon rendering of related services.

ii) Container freight station Income:

Income from Container Handling is recognized as related services are performed.

Income from Ground Rent is recognized for the period the container is lying in the Container Freight Station. However, in case of long standing containers, the Income is accounted on accrual basis to the extent of its recoverability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

iii) Project and equipment income:

Revenue for project division includes rendering of end to end logistics services comprising of activities related to consolidation of cargo, transportation, freight forwarding and customs clearance services. Income from Project division is recognised when the outcome of the service contract can be estimated reliably; contract revenue and costs are recognised as income and expense when the related activities are performed, measured by reference of the contract activity at the reporting date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Equipment division mainly comprises of revenue earned from hiring of cranes, trailers and other fleets. Income from transportation of goods is recognized on completion of the delivery of goods/containers. Income from hiring of fleets is recognized on the basis of actual usage of the Group's fleets, as per the contractual terms.

iv) Vessel Operating Business:

In case of Vessel Operating Business, Freight and Demurrage earnings are recognized on completed voyage basis. Charter Hire Earnings are accrued on time basis.

v) Third party Logistics income:

Third Party Logistics service charges and management fees are recognised as and when the service is performed as per the contractual terms.

vi) Others:

Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the right to receive dividend is established.

Profit/loss on sale of current investment is computed with reference to their average cost.

(k) Taxation

Income tax expense comprises current income tax and deferred tax charge or credit.

Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

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 statement of profit and loss 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.

(l) Employee benefits

(1) Short term employee benefits

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognised in the period in which the employee renders the related service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**(2) Post employment benefits***Defined contribution plans:*

In accordance with Indian regulations, all employees of the Indian entities receive employee benefits in the form of Provident Fund and Employees' State Insurance which are a defined contribution plan and the contributions are charged to the consolidated statement of profit and loss of the year when such contribution to such funds is due. The Group's contribution towards defined contribution benefit plan is accrued in compliance with the domestic laws of the country in which the consolidated foreign entities operate.

Defined benefit plan:

In case of defined benefit plans such as gratuity, the Group's net obligation in respect of the benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation done by an independent actuary using the Projected Unit Credit Method at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Group, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of profit and loss .

(3) Other long term employment benefits*Compensated absences:*

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date as determined by an independent actuary based on projected unit credit method. The discount rates used for determining the present value of the obligation under other long term employment benefits plan, are based on the market yields on Government securities as at the balance sheet date.

(m) Employee's Stock Options Plan

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme ('ESOS'), the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation cost over the vesting period in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

(n) Foreign currency transactions

Foreign currency transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss account of the year.

The Central Government has vide its notification dated March 31, 2009 amended Accounting standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", notified under the Companies (Accounting Standards) Rules, 2006, to the extent it relates to the recognition of losses or gains arising on restatement of long-term foreign currency monetary items in respect of accounting periods commencing on or after December 07, 2006 and ended on or before 31 March 2011. This notification had been further extended to period ended on or before March 31, 2012 and subsequently extended till period ending on or before March 31, 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

As stipulated in the notification, the Group has exercised the option to adopt the following policy irrevocably and retrospectively for accounting periods commencing from 1 April 2007.

Further, with effect from April 01, 2012, pursuant to the notification dated 29 December 2011, issued by the Ministry of Corporate Affairs inserting the paragraph 46A of the Accounting Standard (AS)-11 "The Effects of Changes in Foreign Exchange Rates", notified under the Companies (Accounting Standards) Rules, 2006, the Company opted to record foreign exchange transaction for all long term monetary liabilities, as per paragraph 46A of Accounting Standard (AS)-11.

Long term monetary assets and liabilities, other than those which form part of the Group's net investment in non-integral foreign operations, denominated in foreign currency as at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date and the net exchange gain / loss on such conversion, if any, is:

- (a) adjusted to the cost of the asset, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), and depreciated over the balance life of the assets; and,
- (b) accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) and amortised over the balance period of long-term monetary asset / liability, relating to non depreciable assets.

Other monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary asset such as investments in equity shares, etc. are carried forward in the balance sheet at costs.

(o) Operating lease

Lease rentals in respect of assets acquired on operating leases are recognized in the statement of profit and loss on a straight line basis over the lease term.

Assets given by the Company and the Group under operating lease are included in fixed assets. Lease income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease are deferred and recognised in the statement of profit and loss over the lease term in proportion to the recognition of lease income.

(p) Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

(q) Provision and contingent liabilities

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the consolidated financial statements.

4. Changes in accounting policies

Exchange differences on long term foreign currency monetary items

During previous year, pursuant to the notification dated December 29, 2011, issued by the Ministry of Corporate Affairs inserting the paragraph 46A of the Accounting Standard (AS)- 11 "The Effects of Changes in Foreign Exchange Rates", notified under the Companies (Accounting Standards) Rules, 2006, the Company opted to record, from the current period foreign exchange transaction for all long term monetary liabilities, as per paragraph 46A of AS 11. As a result, exchange difference on long term monetary liabilities arising subsequent to April 01, 2011 is restated as per paragraph 46A of AS-11.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

The change has resulted in increase of depreciation of ₹ 91 Lakhs, reduction in the finance charge of ₹ 820 Lakhs and increase in profit after tax of ₹ 747 Lakhs for the previous year.

The above adjustment includes interest reversal of ₹ 820 Lakhs and incremental depreciation of ₹ 28 Lakhs for the earlier period ended March 31, 2012.

5. Consolidation

- (a) The list of subsidiary companies, controlled directly or indirectly by the parent Company, which are included in the consolidated financial statements are as under:

Indian subsidiaries:-

No.	COUNTRY	NAME OF THE COMPANY	% HOLDING
1	India	Hindustan Cargo Limited	100.00
2	India	HC Logistics Limited	100.00
3	India	Credo Shipping Agencies (I) Private Limited	100.00
4	India	Contech Transport Services Private Limited	100.00
5	India	Comptech Solutions Private Limited	48.28
6	India	Amfin Consulting Private Limited	100.00
7	India	Ecu Line (India) Private Limited	100.00
8	India	Allcargo Shipping Co.Private Limited	100.00
9	India	South Asia Terminals Private Limited	51.00
10	India	Southern Terminals & Trading Private Limited	100.00
11	India	AGL Warehousing Private Limited	100.00
12	India	Allcargo Logistic Park Private Limited	51.00
13	India	Transindia Logistic Park Private Limited	70.00
14	India	ECU International (Asia) Private Limited	100.00
15	India	Combiline Indian Agencies Private Limited	98.95

Foreign subsidiaries:-

No.	COUNTRY	NAME OF THE COMPANY	% HOLDING
1	ALGERIA	Ecu-Line Algeria Sarl	100.00
2	ARGENTINA	Ecu Logistics S.A.	100.00
3	BELGIUM	Ecu-Line N.V.	100.00
4	BELGIUM	Ecu-Logistics N.V.	100.00
5	BELGIUM	Ecubro N.V.	100.00
6	BELGIUM	Ecu-Tech BVBA	100.00
7	BELGIUM	Ecuhold N.V.	100.00
8	BELGIUM	Ecu International N.V.	100.00
9	BELGIUM	Ecu Global Services N.V.	100.00
10	BELGIUM	HCL Logistics N.V.	100.00
11	BELGIUM	AGL N.V.	100.00
12	BELGIUM	Allcargo Belgium N.V.	100.00
13	BRAZIL	Ecu Logistics do Brasil Ltd.a	100.00
14	BRAZIL	Flamingo Line do Brasil Ltd.a	100.00
15	BULGARIA	Ecu-Line Bulgaria EOOD	100.00
16	CHILE	Ecu-Line Chile S.A.	100.00
17	CHILE	Flamingo Line Chile S.A.	100.00
18	CHINA	Ecu-Line Guangzhou Ltd	100.00
19	CHINA	China Consolidation Services Shipping Ltd	100.00
20	CZECH REP.	Ecu-Line (CZ) s.r.o.	100.00

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

No.	COUNTRY	NAME OF THE COMPANY	% HOLDING
21	ECUADOR	Ecu-Line del Ecuador S.A.	100.00
22	ECUADOR	Flamingo Line del Ecuador S.A.	100.00
23	EGYPT	Ecu Line Egypt Ltd.	100.00
24	EL SALVADOR	Flamingo Line El Salvador SA de CV	100.00
25	GERMANY	Ecu-Line Germany GmbH	100.00
26	GHANA	ELWA Ghana Limited	100.00
27	GUATEMALA	Flamingo Line de Guatemala S.A.	100.00
28	HONG KONG	Ecu-Line Hong Kong Ltd.	100.00
29	HONG KONG	Ecu International Far East Ltd.	100.00
30	HONG KONG	CCS China Consolidation Services Company Ltd.	100.00
31	INDONESIA	PT EKA Consol Utama Line	100.00
32	ITALY	Ecu-Line Italia srl.	100.00
33	ITALY	Eurocentre Milan srl.	100.00
34	IVORY COAST	Ecu-Line Côte d'Ivoire Sarl	100.00
35	JORDAN	Jordan Gulf for Freight Services Agencies Co.LLC	100.00
36	MALTA	Ecu-Line Malta Ltd.	100.00
37	MEXICO	CELM Logistics SA de CV	100.00
38	MEXICO	Ecu Logistics de Mexico SA de CV	100.00
39	MOROCCO	Ecu-Line Maroc S.A.	100.00
40	NETHERLANDS	Ecu-Line Rotterdam BV	100.00
41	NETHERLANDS	Rotterdam Freight Station BV	100.00
42	PANAMA	Ecu-Line de Panama S.A.	100.00
43	PARAGUAY	Ecu-Line Paraguay S.A.	100.00
44	PHILIPPINES	Ecu-Line Philippines Inc.	100.00
45	POLAND	Ecu-Line Polska SP. Z.o.o.	100.00
46	QATAR	Ecu-Line Doha W.L.L.	100.00
47	ROMANIA	Ecu-Line Romania SRL	100.00
48	SINGAPORE	Ecu-Line Singapore Pte. Ltd.	100.00
49	SOUTH AFRICA	Ecu-Line South Africa (Pty.) Ltd.	100.00
50	SPAIN	Ecu-Line Spain S.L.	100.00
51	SPAIN	Mediterranean Cargo Center S.L. (MCC)	100.00
52	SRI LANKA	Ecu Line Lanka (Private) Ltd.	100.00
53	TUNISIA	Société Ecu-Line Tunisie Sarl	100.00
54	TURKEY	Ecu Uluslarasi Tas. Ve Ticaret Ltd. Sti.	100.00
55	UNITED ARAB EMIRATES	China Consolidated Company Ltd.	100.00
56	UNITED ARAB EMIRATES	Star Express Company Ltd.	100.00
57	UNITED KINGDOM	Ecu-Line UK Ltd.	100.00
58	URUGUAY	DEOLIX S.A.	100.00
59	URUGUAY	DLC	100.00
60	URUGUAY	Guldary S.A.	100.00
61	VENEZUELA	ELV Multimodal C.A.	100.00
62	VENEZUELA	Administradora House Line C.A.	100.00
63	MAURITIUS	Ecu-Line Mauritius Ltd.	100.00
64	DUBAI	Asia Line Ltd	100.00
65	VENEZUELA	Consolidadora Ecu- Line C.A	100.00
66	KENYA	Ecu Shipping Logistics (K) Ltd.	99.90
67	UNITED ARAB EMIRATES	Ecu-Line Middle East LLC	86.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

No.	COUNTRY	NAME OF THE COMPANY	% HOLDING
68	MALAYSIA	Ecu-Line (Johor Bahru) Snd. Bhd.	100.00
69	UNITED ARAB EMIRATES	Eurocentre FZCO	84.62
70	KENYA	Ecu-Line Kenya Ltd.	82.00
71	UNITED ARAB EMIRATES	Ecu-Line Abu Dhabi LLC	75.50
72	HONG KONG	CCS Shipping Ltd.	75.00
73	PERU	Flamingo Line del Peru S.A.	70.00
74	PERU	Ecu-Line Peru S.A.	70.00
75	JEDDAH	Ecu-Line Saudi Arabia LLC	70.00
76	ZIMBABWE	Ecu-Line Zimbabwe (Private) Ltd.	70.00
77	JAPAN	Ecu-Line Japan Ltd.	65.00
78	UNITED KINGDOM	S.H.E. Maritime Services Ltd.	63.00
79	GERMANY	Translogistik Internationale Spedition GmbH	80.27
80	AUSTRALIA	Ecu-Line Australia Pty Ltd.	60.00
81	NEW ZEALAND	Ecu-Line NZ Ltd.	60.00
82	THAILAND	Ecu-Line (Thailand) Co. Ltd.	57.00
83	CYPRUS	Ecu-Line Mediterranean Ltd.	55.00
84	CHINA	China Consolidation Services Ltd.	51.00
85	SWITZERLAND	Ecu-Line Switzerland GmbH	51.00
86	CANADA	Ecu-Line Canada Inc	50.00
87	CHILE	Cargo Freight Stations, S.A.	50.00
88	VIETNAM	Ocean House Ltd.	51.00
89	COLOMBIA	Ecu-Line de Colombia S.A.	100.00
90	COSTARICA	Conecli International S.A.	100.00
91	BELGIUM	European Customs Broker N.V.	70.00
92	VIETNAM	Ecu-Line Vietnam Co.Ltd	51.00
93	USA	Econocaribe Consolidators, Inc	100.00
94	USA	OTI cargo Inc	100.00
95	USA	Port International Inc	100.00
96	USA	Ecoline Storage Corp	100.00
97	USA	ECI Customs Brokerage, Inc	100.00
98	AUSTRALIA	Integrity Enterprises Pty Ltd	100.00
99	USA	PRISM Global, LLC	100.00
100	UNITED KINGDOM	FCL Marine Agencies B.V.	100.00

(b) The list of associate companies and joint ventures considered in the consolidated financial statements is as under:

Name of the Company	Country of	Nature of interest	% holding
Sealand Warehousing Private Ltd (upto June 20, 2012, the Company accounted this investment as Joint venture. Post sale of stake, the Company (w.e.f June 21, 2012) has accounted it as an Associate during the previous year[refer note 41]	India	Associate	26%
Gujarat Integrated Maritime Complex Private Limited (upto June 20, 2012, the Company accounted this investment as Joint venture. Post sale of stake, the Company (w.e.f June 21, 2012) has accounted it as an Associate during the previous year [refer note 41]	India	Associate	26%
Transworld Logistics and Shipping Services Inc.(Upto August 15, 2013 as the company has sold its entire 45% stake as on that date)	USA	Associate	45%
Transnepal Freight Services Private Limited	Nepal	Joint Venture	50%

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- (c) With effect from April 01, 2013 the Company has consolidated Transnepal Freight Services Private Limited, which were not consolidated in the previous year, as the operations of the same was not considered to be material in that year. Necessary effects are given in the current year consolidated financial statements.
- (d) During the current year, the Company, through its step down wholly owned subsidiary company Ecuhold N.V., acquired 100% stake in an United States based logistic Company Econocaribe Consolidators and 75% stake in Rotterdam based FCL Marine Agencies. Econocaribe Condolidators is a leading Less than Container Load (LCL) consolidator (NVOCC) in the United States. Econocaribe Consolidators specialises in freight consolidation and Full Container Load (FCL) services to Latin America, the Caribbean, Europe, the Mediterranean, the Middle East, Africa and Asia. They also offer import LCL/FCL transportation services from around the world into the United States and Puerto Rico, FCL Marine Agencies Rotterdam is a leading neutral NVO service provider in FCL segment, operating in Europe, USA and Canada.

The financials of Econocaribe Consolidators and FCL Marine Agencies have been considered and consolidated in the present financials of the Company.

6 Share capital

(₹ in Lakhs)

Particular	March 31, 2014	March 31, 2013
Authorised capital:		
177,475,000 (previous year: 175,000,000) equity shares of ₹ 2 each	3,550	3,500
5,000 (previous year: 5,000) 13% Non cumulative Redeemable Preference Shares of ₹ 100 each	5	5
500 (previous year: 500) 4% cumulative Preference Shares of ₹ 100 each	1	-
Nil (previous year: 5,000) 1% Non cumulative Redeemable Preference Shares of ₹ 100 each	-	5
	3,556	3,510
Issued, subscribed and paid up:		
126,047,762 (previous year: 126,037,382) equity shares of ₹ 2 each, fully paid up	2,521	2,521
3,000 (previous year: 3,000) 13% Non cumulative Redeemable Preference Shares of ₹ 100 each, fully paid up	3	3
	2,524	2,524

Sub-notes :

- i) Reconciliation of the number of equity shares and preference shares outstanding at the beginning and at the year end is set as below:

Equity shares	March 31, 2014		March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
	(Units)	(₹ in Lakhs)	(Units)	(₹ in Lakhs)
At the commencement of the year	126,037,382	2,521	130,173,831	2,604
Add: Shares issued on exercise of employee stock options during the year (₹ 20,760)	10,380	-	-	-
Less: Shares cancelled on buyback of Equity shares (refer note 43)	-	-	(4,136,449)	(83)
At the end of the year	126,047,762	2,521	126,037,382	2,521

13% Non Cumulative redeemable preference shares	March 31, 2014		March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
	(Units)	(₹ in Lakhs)	(Units)	(₹ in Lakhs)
At the commencement of the year	3,000	3	3,000	3
Add: Shares issued during the year	-	-	-	-
At the end of the year	3,000	3	3,000	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1% Non cumulative redeemable preference shares	March 31, 2014		March 31, 2013	
	Number of shares	Amount	Number of shares	Amount
	(Units)	(₹ in Lakhs)	(Units)	(₹ in Lakhs)
At the commencement of the year	-	-	4,196	4
Add: Shares issued during the year	-	-	-	-
Less: Shares transferred on cessation of JV arrangements during the previous year	-	-	(4,196)	(4)
At the end of the year	-	-	-	-

ii) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. During the year ended March 31, 2014, the Company has proposed final dividend of ₹ 1.50 per equity share (previous year: dividend of ₹ 1.50 per equity share). The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

iii) Rights, preferences and restrictions attached to preference shares

13% Non cumulative redeemable preference shares of ₹ 100 each shall be redeemed at the end of the 10th year from the date of allotment of preference shares at par or at a premium, either wholly or partly in one or more tranche at the option of the Company as may be determined by the Board of Directors of the Company from time to time. The preference shareholder shall be entitled to the dividend on the said preference shares @ 13% per annum as and when declared by the Company in accordance with the provisions of the Companies Act, 1956.

1% Non cumulative redeemable preference shares of ₹ 100 each shall be redeemed at the end of 10th year from the date of allotment of preference shares at par or at a premium, either wholly or partly in one or more tranche at the option of the company as may be determined by the Board of Directors of the Company from time to time. The preference shareholder shall be entitled to dividend on the said preference shares @ 1% per annum as and when declared by the Company in accordance with the provisions of the Companies Act, 1956. The said shares have been transferred on cessation of joint venture arrangements with the Group.

iv) Employee stock options

Terms attached to stock options granted to employees are described in note 39 regarding employee share based payments.

v) Particulars of shareholders holding more than 5% of a class of shares

Name of equity shareholder	March 31, 2014		March 31, 2013	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 2 each fully paid-up held by - Mr.Shashi Kiran Shetty	81,623,390	64.76	81,623,390	64.76

Name of preference shareholder	March 31, 2014		March 31, 2013	
	Number	% of total shares in the class	Number	% of total shares in the class
13% Non cumulative Redeemable Preference shares of ₹ 100 each fully paid-up held by - Sealand Holdings private limited	3,000	100	3,000	100

vi) Shares reserved for issue under options and contracts/ commitments for sale of shares/disinvestment

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	March 31, 2014		March 31, 2013	
	Number	Amount	Number	Amount
	(Units)	(₹ in Lakhs)	(Units)	(₹ in Lakhs)
Under Allcargo Employee Stock Option plan 2006 (at an exercise price of ₹ 2 per equity share) (2014: Nil ; Previous year: ₹ 60,000)	-	-	30,000	-

vii) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the five-year period ended March 31, 2014 (March 31, 2013)

- 17,302 (previous year: 19,767) equity shares of ₹ 2 each , fully paid up have been allotted as bonus shares by capitalisation of general reserve and securities premium account.
- 86,265 (previous year: 91,850) equity shares of ₹ 2 each under Employee Stock Option Plans for which only exercise price has been recovered in cash.
- During the previous previous year, the Company has bought back and extinguished 41,36,449 equity shares at an average price of ₹ 139.69 per equity share for an aggregate amount of ₹ 5,817 Lakhs (refer note 43).

7 Reserves and surplus

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Capital reserve		
At the commencement of the year	7,884	7,749
Add : Additions due to foreign exchange translation	1,460	135
At the end of the year	9,344	7,884
Securities premium account		
At the commencement of the year	48,061	54,608
Add : Securities premium received on shares issued on Employee stock options exercised during the year	14	-
Less: Premium paid on buy back of equity shares	-	(5,734)
Less: Effect of Cancellation of Investments made by Merged entity in the holding company (refer note 42)	(635)	-
Less: Capitalised on issue of Bonus shares issued during the year (2014 ₹ 2,160 ; previous year: ₹ Nil)	-	-
Less: Minority interest	-	(398)
Less: Elimination on disposal of joint venture	-	(415)
At the end of the year	47,440	48,061
Employee stock options outstanding account		
At the commencement of the year	53	87
Less: Employee stock option exercised during the year	(14)	-
Less: Employee stock option lapsed during the year	(39)	(34)
At the end of the year	-	53
General reserve		
At the commencement of the year	15,164	13,937
Add : Amount transferred from Surplus	561	1,156
Add : Transfer on account of scheme of amalgamation (refer note 42)	1,332	-
Add : Additions due to foreign exchange translation	771	71
At the end of the year	17,828	15,164
Capital redemption reserve		
At the commencement of the year	104	3
Add : Amount transferred from the statement of profit and loss on buyback of equity shares	-	83
Add : Created during the year out of free reserves for redemption of Preference shares	-	18
At the end of the year	104	104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7 Reserves and surplus (Contd.)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Tonnage Tax reserve		
At the commencement of the year	-	152
Add : Amount transferred from Surplus	18	-
Less : Amount transferred to tonnage tax reserve (utilised)	-	(152)
At the end of the year	18	-
Tonnage Tax reserve (utilised)		
At the commencement of the year	152	-
Add : Amount transferred from tonnage tax reserve	-	152
At the end of the year	152	152
Exchange Translation reserve		
At the commencement of the year	3,487	2,673
Add : Additions due to foreign exchange translation	4,800	814
At the end of the year	8,287	3,487
Surplus in statement of Profit and loss		
At the commencement of the year	81,422	67,456
Add : brought forward loss [refer note 5(c)]	21	(4)
Add : Transfer on account of scheme of amalgamation (refer note 42)	11	-
Add : Profit for the year	14,933	16,974
Add : Elimination on disposal of Joint venture	19	455
	96,406	84,881
Less : Appropriations		
- Proposed equity dividend [₹ 1.50 per share (previous year: ₹ 1.50)] per equity share of ₹ 2 each*	1,891	1,882
- Tax on proposed equity dividend*	321	320
- Transfer to general reserve	561	1,156
- Transfer to tonnage tax reserve	18	-
- Creation of capital redemption reserve for redemption of preference shares	-	19
- Transfer to capital redemption reserve on buy back of equity shares	-	82
Total appropriations	2,791	3,459
Net surplus in the statement of consolidated profit and loss	93,615	81,422
Less: Equity shares of the Company held by wholly owned subsidiary (refer note 42)	-	(285)
Total reserves and surplus	176,788	156,042

* Proposed equity dividend and tax on proposed dividend for previous year are net of reversal of excess provision of earlier year pertaining to equity shares bought back before the record date of dividend, aggregating to ₹ 13 Lakhs and ₹ 2 Lakhs respectively.

8 Long-term borrowings

(₹ in Lakhs)

Particulars	Non-current portion		Current portion*	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Term loans (secured)				
From banks	47,010	14,933	13,148	4,184
Buyers' credit	919	17,666	22,722	21,031
From financial institutions and others	-	-	-	73
Finance lease obligations [refer note 35 (c)]	1,721	1,716	457	327
Vehicle finance loans	1,644	3,163	1,611	1,543
Term loans (unsecured)				
Loan from minority shareholder	781	781	-	-
	52,075	38,259	37,938	27,158

* Amount disclosed under 'other current liabilities' - refer note 14.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(A) Nature of the security

- (i) Term loans from banks are secured against fixed assets, mortgage of certain immovable properties, current assets of certain subsidiaries and the same are backed by Corporate Guarantee given by holding Company, Stand by Letter of Credits from an Indian Bank.
- (ii) Buyers' credit is secured against equipment financed by the Bank.
- (iii) Assets taken on finance lease are secured against specific immovable property.
- (iv) Vehicle finance loans are secured against vehicles finance by banks.

(B) Repayment schedule of Long-term borrowings

(i) Term loans from banks

(₹ in Lakhs)

Rate of Interest	Repayment Schedule							
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2021-29
2% - 11.25%	-	13,148	15,983	21,011	6,144	1,353	625	1,895
	(4,184)	(4,172)	(3,729)	(2,095)	(1,250)	(1,250)	(625)	(1,812)

(ii) Buyers' credit from banks

(₹ in Lakhs)

Rate of Interest	Repayment Schedule			
	2013-14	2014-15	2015-16	2016-17
1% - 5%	-	6,571	-	-
	(21,031)	(6,447)	(-)	(-)
5% - 10%	-	16,152	-	919
	(-)	(11,219)	(-)	(-)

(iii) Vehicle finance rupee loan from banks

(₹ in Lakhs)

Rate of Interest	Repayment Schedule				
	2013-14	2014-15	2015-16	2016-17	2017-18
8-12%	-	1,611	1,276	359	9
	(1,543)	(1,588)	(1,246)	(329)	(-)

The Vehicle loan has to be repaid based on monthly instalment during the period from April 01, 2015 to 7 July 2017 and the Buyers' credit are paid based on the contractual terms, starting April 02, 2014 to March 15, 2016 .

(iv) Loan from minority shareholder

(₹ in Lakhs)

Rate of Interest	Repayment Schedule	
	2015-16	
10.00%	781	
	(781)	

9 Deferred tax liability (net)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Deferred tax liability		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	12,837	11,715
Others	-	-
	12,837	11,715
Deferred tax assets		
Provision for employee benefits	215	183
Expenditure covered by section 43B of Income-tax Act, 1961	3	2
Preliminary Expenses under section 35D/35 DD of Income Tax Act, 1961	39	94
Provision for doubtful trade receivables	1,228	1,406
Carry forward losses	896	460
Others	3	136
	2,384	2,281
Deferred tax liability (net)	10,453	9,434

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

10 Other long-term liabilities

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Security deposit received	200	157
Advance received from customers	5	6
Purchase consideration payable [refer note 5(d)]	3,174	-
	3,379	163

11 Provisions

(₹ in Lakhs)

Particulars	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for employee benefits				
Gratuity (refer note 36)	387	191	80	5
Compensated absences (refer note 36)	2,878	1,867	139	147
	3,265	2,058	219	152
Other provisions				
Proposed equity dividend	-	-	1,891	1,896
Tax on proposed equity dividend	-	-	321	322
Provision for current tax [net of advance tax of ₹ 4,221 Lakhs, (previous year ₹ 7,189 Lakhs)]	-	30	321	1,731
	-	30	2,533	3,949
	3,265	2,088	2,752	4,101

12 Short-term borrowings

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Unsecured		
Rupee term loan	-	3,500
Secured		
Buyers' credit	238	215
Working capital term loan	6,970	3,476
Cash Credit	1,490	60
Bills discounting	500	-
	9,198	7,251

Notes

- (a) Rupee term loan represents working capital loan carrying interest @ 12% p.a. and it was repaid on April 16, 2013.
- (b) Buyers' credit is secured against equipment financed by the bank.
- (c) Working Capital Loan is secured against certain immovable property, pari-pasu charge on present and future movable assets, inventories and book debts.
- (d) Cash credit facilities from bank carry interest ranging from 10-13% p.a. computed on a monthly basis on the actual amount utilised, and are repayable on demand. These are secured against immovable property situated in Mumbai, pari pasu charge on present and future movable assets, inventories and book debts.
- (e) Bills discounting facilities carry interest ranging from 11-13% p.a. and are repayable over a period of 45 to 90 days.

13 Trade payables

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Trade payables	46,173	31,356
Acceptances	508	328
	46,681	31,684

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

14 Other current liabilities

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Current maturities of long-term borrowings (refer note - 8)	37,481	26,831
Current maturities of finance lease obligations [refer note 35 (c) and 8]	457	327
Interest accrued and due on borrowings	16	166
Interest accrued but not due on borrowings	329	403
Forward cover premium payable	273	215
Advance received from customers	1,511	606
Security deposit	80	64
Capital creditors	409	3,675
Income received in advance	3,824	1,999
Amount liable to be deposited to investor education and protection fund but not yet due for deposits		
- Unpaid dividend	2	2
Statutory dues payable		
Service tax payable	53	72
TDS payable	660	497
VAT/WCT payable	720	1,493
ESIC payable	1	1
Professional tax payable	2	1
Provident fund payable	732	469
Pension fund payable	681	430
Others	4	-
Employee benefits payable	1,642	2,159
Director commission payable	354	827
Advance against sale of assets	-	91
Advance against sale of investments	-	2,333
Temporary book overdraft	-	80
Purchase consideration payable [refer note 5(d)]	1,754	600
Others	251	75
	51,236	43,415

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

15 Tangible fixed assets

Description	Freehold Land	Leasehold Land	Building	Leasehold improvements	Plant and machinery	Vessels	Heavy equipments & Commercial vehicle	Other vehicles	Office Equipment - Others	Office Equipment - Computers	Furniture & fixtures	Other Tangible Assets	Total
Gross Block													
Balance as at April 01, 2012	11,351	5,068	30,949	655	5,525	4,282	88,793	391	637	1,329	8,776	435	158,191
Additions	233	438	10,354	29	3,374	3,700	6,444	14	330	247	1,806	139	27,108
Disposals	(5,006)	-	(20)	-	(661)	-	(880)	(10)	(23)	(98)	(395)	(8)	(7,101)
Other adjustments:	-	-	379	-	93	-	3,625	-	-	-	27	39	4,163
Exchange differences	6,578	5,506	41,662	684	8,331	7,982	97,982	395	944	1,478	10,214	605	182,361
Balance as at March 31, 2013	6,578	5,506	41,662	684	8,331	7,982	97,982	395	944	1,478	10,214	605	182,361
Balance as at April 01, 2013	-	-	1,670	364	750	15	1,078	13	98	127	1,053	276	5,444
Additions during the year [refer note 5(d)]	-	-	401	-	110	-	-	-	-	-	436	122	1,069
Disposals	-	-	(46)	(6)	(176)	-	(507)	(18)	(7)	(9)	(459)	(2)	(1,230)
Other adjustments:	-	-	2,564	-	490	-	4,894	-	-	-	976	113	9,037
Exchange differences	10	-	136	-	27	-	-	6	5	11	3	3	201
Others [refer note 5(c)]	6,588	5,506	46,387	1,042	9,532	7,997	103,447	396	1,040	1,607	12,223	1,117	196,882
Balance as at March 31, 2014	6,588	5,506	46,387	1,042	9,532	7,997	103,447	396	1,040	1,607	12,223	1,117	196,882
Depreciation													
Balance as at April 01, 2012	-	638	6,291	145	2,435	815	19,163	117	78	842	5,276	271	36,071
Depreciation for the year	-	176	1,445	40	381	873	10,103	36	39	171	956	98	14,318
Accumulated depreciation on disposals/ adjustments	-	-	111	-	(248)	-	(408)	(10)	(11)	(95)	(269)	(67)	(997)
Balance as at March 31, 2013	-	814	7,847	185	2,568	1,688	28,858	143	106	918	5,963	302	49,392
Balance as at April 01, 2013	-	814	7,847	185	2,568	1,688	28,858	143	106	918	5,963	302	49,392
Depreciation for the year	-	179	1,413	51	670	944	8,634	76	47	176	1,185	110	13,485
Accumulated depreciation during the year [refer note 5(d)]	-	-	12	-	5	-	-	-	-	-	100	-	117
Other Adjustments [refer note 5(c)]	-	-	8	-	10	-	-	5	9	10	2	1	45
Accumulated depreciation on disposals / adjustments	-	-	1,090	-	261	-	(441)	(17)	(2)	(9)	403	83	1,368
Balance as at March 31, 2014	-	993	10,370	236	3,514	2,632	37,051	207	160	1,095	7,653	496	64,407
As at March 31, 2013	6,578	4,692	33,815	499	5,763	6,294	69,124	252	838	560	4,251	303	132,969
As at March 31, 2014	6,588	4,513	36,017	806	6,018	5,365	66,396	189	880	512	4,570	621	132,475
Capital work-in-progress													
Balance as at April 01, 2012	-	15	6,386	-	-	-	2,008	1	-	-	1	-	8,411
Additions	-	11	10,412	-	68	-	4,699	1	26	4	1	-	15,222
Assets capitalised during the year*	-	(26)	(15,605)	-	(30)	-	(6,705)	(2)	(26)	-	-	-	(22,394)
Balance as at March 31, 2013	-	-	1,193	-	38	-	2	-	-	4	2	-	1,239
Balance as at April 01, 2013	-	-	1,193	-	38	-	2	-	-	4	2	-	1,239
Additions	-	-	1,054	-	65	-	141	-	4	13	-	-	1,277
Assets capitalised during the year	-	-	(1,729)	-	(8)	-	(26)	-	(4)	(17)	(1)	-	(1,785)
Balance as at March 31, 2014	-	-	518	-	95	-	117	-	-	-	1	-	731

* includes cnvat on capital goods

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

15 Tangible fixed assets (Contd.)

- 1) Pursuant to the notification dated December 29, 2011, issued by the Ministry of Corporate Affairs inserting the paragraph 46A of Accounting Standard 11 ('AS 11') 'The Effects of Changes in Foreign Exchange Rates', the Company opted to record, from the previous year ended March 31, 2013, foreign exchange transaction for all the long term monetary liabilities, as per paragraph 46A of AS11. As a result, exchange difference on long term monetary liabilities arising subsequent to April 01, 2011 is restated as per the para 46A. This change has resulted in increase in depreciation of ₹ 91 Lakhs, reduction in the finance charges of ₹ 820 Lakhs and increase in profit after tax of ₹ 746 Lakhs for the year ended March 31, 2013.
- 2) Additions to gross block and accumulated depreciation on account of acquisitions during the year include the value of fixed assets acquired from Econocaribe Consolidators Inc Group.
- 3) The Company has leased out Cranes and Equipments for a period ranging 6-9 months. The Lease rental income recognised in the statement of profit and loss is ₹ 23,023 Lakhs (previous year ₹ 23,439 Lakhs). The gross value of the assets leased out is ₹ 93,012 Lakhs (previous year : ₹ 82,830 Lakhs). Accumulated depreciation of the asset leased out is ₹ 32,542 Lakhs (previous year : ₹ 23,916 Lakhs). The depreciation recognised in the statement of profit and loss account for the assets leased out during the year is ₹ 7,787 Lakhs (previous year ₹ 9,347 Lakhs)
- 4) The gross and net carrying amount of assets acquired under finance leases and included in above is as follows:-

(₹ in Lakhs)

Particulars	March 31, 2014			March 31, 2013		
	Gross Block	Accumulated Depreciation/impairment	Net block	Gross Block	Accumulated Depreciation/impairment	Net block
Building	4,979	2,504	2,475	4,193	1,899	2,294

- 5) Deductions/Adjustments includes foreign exchange difference arising due to translation of all foreign subsidiaries fixed assets at closing exchange rate.
- 6) During the previous year, the Company has discontinued the use of proportionate consolidation from the date it has ceased to exercise joint control over jointly controlled entities which includes Sealand Warehousing Private Limited and Gujrat Integrated Maritime Complex Private Limited. Previous year disposal/adjustments include the value of fixed assets adjusted on account of the discontinuance of use of proportionate consolidation method for accounting of fixed assets of these companies (refer note 41).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

16 Intangible fixed assets

(₹ in Lakhs)

Description	Research and Development / Licenses and Concessions	Non compete Agreement	Software Packages	Leasing & Similar Rights	Goodwill on Merger	Total
Gross Block						
Balance as at April 01, 2012	3,836	-	462	1,093	-	5,391
Additions	80	-	177	420	-	677
Disposals	-	-	-	-	-	-
<u>Other adjustments</u>						
Exchange differences	59	-	-	10	-	69
Balance as at March 31, 2013	3,975	-	639	1,523	-	6,137
Balance as at April 01, 2013	3,975	-	639	1,523	-	6,137
Acquisitions during the year	15	1,157	-	-	-	1,172
Additions	49	-	197	11	3,410	3,667
Disposals	(29)	-	-	(21)	-	(50)
<u>Other adjustments</u>						
Exchange differences	661	22	1	199	-	883
Balance as at March 31, 2014	4,671	1,179	837	1,712	3,410	11,809
Amortisation						
Balance as at April 01, 2012	1,196	-	151	596	-	1,943
Amortisation for the year	156	-	90	71	-	317
Accumulated amortisation on disposals	(22)	-	-	(5)	-	(27)
Balance as at March 31, 2013	1,330	-	241	662	-	2,233
Balance as at April 01, 2013	1,330	-	241	662	-	2,233
Amortisation for the year	154	231	114	59	3,410	3,968
Accumulated amortisation on disposals	(25)	-	-	(14)	-	(39)
<u>Other adjustments</u>						
Exchange differences	252	4	-	112	-	368
Balance as at March 31, 2014	1,711	235	355	819	3,410	6,530
As at March 31, 2013	2,645	-	398	861	-	3,904
As at March 31, 2014	2,960	944	482	893	-	5,279
Intangibles assets under development						
Balance as at April 01, 2012	-	-	132	-	-	132
Additions	-	-	150	-	-	150
Assets capitalised during the year	-	-	(128)	-	-	(128)
Balance as at March 31, 2013	-	-	154	-	-	154
Balance as at April 01, 2013	-	-	154	-	-	154
Additions	-	-	88	-	-	88
Assets capitalised during the year	-	-	(208)	-	-	(208)
Balance as at March 31, 2014	-	-	34	-	-	34

- 1) Deductions/Adjustments includes foreign exchange difference arising due to translation of all foreign subsidiaries fixed assets at closing exchange rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

17 Non-current investments

(valued at cost unless stated otherwise)

(I) Other investments

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Other investments: quoted		
Investment in equity instruments (fully paid-up)		
1,800 (previous year: 1,800) Equity Shares of Tata Motors Limited of ₹ 2 each	1	1
500 (previous year: 500) Equity Shares of Sree Rayalseema Alkalies and Allied Chemicals Limited of ₹ 10 each (₹ 25,755, previous year: ₹ 25,755)	-	-
Nil (previous year: 125) Equity Shares of Gateway Distripark Limited of ₹ 10 each (₹ Nil, previous year: ₹ 24,852)	-	-
1,908 (previous year: 1,970) Equity Shares of Reliance Industries Limited of ₹ 10 each	2	2
47 (previous year: 47) Equity Shares of Reliance Capital Limited of ₹ 5 each (₹ 2,363, previous year: ₹ 2,363)	-	-
954 (previous year: 954) Equity Shares of Reliance Communication Limited of ₹ 10 each	1	1
71 (previous year: 71) Equity Shares of Reliance Infrastructure Limited of ₹ 10 each (₹ 13,270, previous year: ₹ 13,270)	-	-
238 (previous year: 238) Equity Shares of Reliance Power Limited of ₹ 10 each (₹ 1,272, previous year: ₹ 1,272)	-	-
1,000 (previous year: Nil) Equity Shares of Gujarat Industrial Power Corporation Limited of ₹ 10 each (₹ 40,996, previous year: ₹ 40,996)	-	-
Nil (previous year: 500) Equity Shares of Avon Organics Limited of ₹ 10 each (₹ Nil, previous year: ₹ 21,585)	-	-
Nil (previous year: 500) Equity Shares of DCM Shree Ram Industries Limited of ₹ 2 each	-	1
Nil (previous year: 100) Equity Shares of India Cements Limited of ₹ 10 each (₹ Nil, previous year: ₹ 21,998)	-	-
Nil (previous year: 1,000) Equity Shares of KG Denim Limited of ₹ 10 each (₹ Nil, previous year: ₹ 42,180)	-	-
Nil (previous year: 1,000) Equity Shares of Kohinoor Foods Limited of ₹ 10 each	-	1
Nil (previous year: 1,000) Equity Shares of Pricol Limited of ₹ 1 each	-	1
Nil (previous year: 700) Equity Shares of Rane Madras Limited of ₹ 10 each	-	1
Nil (previous year: 885) Equity Shares of KEC International Limited of ₹ 10 each	-	1
512 (Previous year: 512) Equity Shares of Navneet Education Limited of ₹ 2 each (₹ 12,050, previous year: ₹ 12,050)	-	-
Nil (previous year: 500) Equity Shares of Andhra Petrochemicals Limited of ₹ 10 each (₹ Nil, previous year: ₹ 9,547)	-	-
Nil (previous year: 1,000) Equity Shares of KS Oils Limited of ₹ 1 each	-	1
Nil (previous year: 1,500) Equity Shares of Crane Software Limited of ₹ 10 each	-	1
Nil (previous year: 1,500) Equity Shares of KCP Sugars Limited of ₹ 10 each (₹ Nil, previous year: ₹ 38,066)	-	-
Nil (previous year: 1,500) Equity Shares of AMD Metplast Limited of ₹ 10 each (₹ Nil, previous year: ₹ 44,343)	-	-
Nil (previous year: 1,000) Equity Shares of Ramco Industries Limited of ₹ 10 each	-	1
Nil (previous year: 100) Equity Shares of Trent Limited of ₹ 10 each	-	1
Nil (previous year: 200) Equity Shares of Aban offshore Limited of ₹ 2 each	-	1
Nil (previous year: 1,000) Equity Shares of Hindustan Zinc Limited of ₹ 10 each	-	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

17 Non-current investments (Contd.)

(valued at cost unless stated otherwise)

(I) Other investments

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Nil (previous year: 1,500) Equity Shares of Somany Ceramics limited of ₹ 10 each	-	1
Nil (previous year: 1,000) Equity Shares of Jayaswal Neco Industries Limited of ₹ 10 each (₹ Nil, previous year: ₹ 31,178)	-	-
Nil (previous year: 1,085) Equity Shares of Apcotex Limited of ₹ 10 each	-	1
(A)	4	17
(II) Trade investments : unquoted		
Investment in equity instruments of companies (fully paid-up)		
10 (previous year: 10) Equity shares of Alltrans Port Management Private Limited of ₹ 100 each (₹ 1,000, previous year: ₹ 1,000)	-	-
43,600 (previous year: 21,800) Equity shares of Transnepal Freight Services Private Limited of Nepal Rupees 100 each [refer note 5(c)]	-	14
4,000 (previous year: 4,000) Equity Shares of Zorastrian Co-op. Bank Limited of ₹ 25 each	1	1
30 (previous year: 30) Equity Shares of Mandvi Co-op. Bank Limited of ₹ 10 each (₹ 300, previous year: ₹ 300)	-	-
70 (previous year: 70) Equity Shares of European Custom Broker N.V. of Euro 620 each	37	31
10 (previous year: 10) Equity Shares of Ecu Nordic N.V. of Euro 25 each (₹ 20,644, previous year: ₹ 17,386)	-	-
25 (previous year: 25) Equity Shares of International Negotiation Associates of Euro 620 each	13	11
(B)	51	57
Investment in equity instruments of associates (fully paid-up)		
<u>Cost of Investments:</u>		
Nil (Previous year : 90) Ordinary shares of Transworld Logistics and Shipping Services Inc. of USD 500 each	-	106
Nil (Previous year: 2,430,900) Equity shares of Sealand Warehousing Private Limited of ₹ 10 each	-	243
Nil (Previous year: 26,000) Equity shares of Gujarat Integrated Maritime Complex Private Limited of ₹ 10 each	-	3,043
Add: Share of post acquisition profit	-	35
(C)	-	3,427
(III) Other non-current investments		
Investment property (at cost less accumulated depreciation)		
Freehold Land	89	89
Building	5,881	5,881
Less: adjustments	(111)	-
Less: Accumulated depreciation	(358)	(265)
Net book value	(D) 5,501	5,705
(A)+(B)+(C)+(D)	5,556	9,206
Quoted non-current investments		
Aggregate book value	4	17
Aggregate market value	32	-
Aggregate book value of unquoted non-current investments	51	57
Aggregate provision for diminution in value of non-current investments	-	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

18 Long-term loans and advances

(₹ in Lakhs)

Particulars	Non-current portion		Current portion	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
To parties other than related parties (Unsecured and considered good)				
Capital advances	3,935	4,047	-	-
(A)	3,935	4,047	-	-
(Unsecured)				
Security deposits				
Considered good	1,779	1,939	49	67
Considered doubtful	30	25	5	-
Less: Provision for doubtful deposits	(30)	(25)	(5)	-
(B)	1,779	1,939	49	67
Other loans and advances (Unsecured and considered good)				
Loans to employees	6	9	10	5
Inter corporate deposits	599	545	-	1,682
Balance with customs and ports	-	6	-	-
Prepaid expenses	59	36	254	275
CENVAT credit receivable	-	85	-	2
Advance tax recoverable (net of provisions of ₹ 11,182 Lakhs (previous year: ₹ 4,446 Lakhs)	2,525	3,924	-	198
MAT credit entitlement	13,285	12,805	500	-
Other advances	904	821	2	-
(C)	17,378	18,230	766	2,162
(D)=(A)+(B)+(C)	23,092	24,216	815	2,229
To related parties (Unsecured and considered good)				
Security deposits (refer note 37)	2,300	2,450	168	14
(E)	2,300	2,450	168	14
(F)=(D)+(E)	25,392	26,665	983	2,243

19 Other non-current assets

(unsecured considered good, unless stated otherwise)

(₹ in Lakhs)

Particulars	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Non current bank balance (refer note 23)	258	9	-	-
(A)	258	9	-	-
Others				
Contractually reimbursable expenses	-	-	344	-
Foreign currency receivable	-	-	240	203
Unamortised premium on forward contracts	-	-	167	7
Unbilled revenue	-	64	3,680	3,406
Advance towards share application money	-	-	239	253
Interest accrued on fixed deposits	-	-	4	3
Insurance claim receivable	36	210	-	90
(B)	36	274	4,674	3,962
(A)+(B)	294	283	4,674	3,962

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

20 Current investments

(valued at lower of cost and fair value)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Investment in equity instruments- quoted		
16 units (previous year: 16 units) Equity Shares of Gateway Distriparks Limited (₹ 1,800, previous year: ₹ 1,800)	-	-
100 (previous year: Nil) Equity Shares of Life Insurance Corporation (Nepal) Limited of ₹ 100/- each	2	-
100 (previous year: Nil) Equity Shares of Nabil Bank Limited of ₹ 100/- each	1	-
Investment in mutual funds- unquoted		
Nil (previous year: 10,150.48) units of Taurus Short Term Income Fund - Dividend Plan	-	205
89,579.442 (previous year: 52,339.04) units of Religare Invesco Ultra Short Term fund -Growth	1,565	848
87,052.92 (previous year: Nil) units of Baroda Pioneer Treasury Advantage Fund - Plan A Growth	1,253	-
27,729.50 (previous year: Nil) units of Birla Sunlife Cash Plus - Growth - Regular Plan	56	-
2,805,428.465 (previous year: Nil) units of DWS Money Plus Fund - Institutional Plan - Growth	370	-
2,150,035.815 (previous year: Nil) units of Franklin India Saving Plus Fund - Growth	500	-
31,955.576 (previous year: Nil) units of ICICI Prudential Liquid Regular Plan - Growth	59	-
3,123,640.276 (previous year: Nil) units of ICICI Prudential Banking & PSU Debt Fund Regular Plan - Growth	431	-
2,529,327.553 (previous year: Nil) units of JM Floater Fund - Short Term Plan - Growth	500	-
1,809,980.444 (previous year: Nil) units of Kotak Banking & PSU Debt Fund - Growth	510	-
13,577,511.717 (previous year: Nil) units of Peerless Liquid Fund Super Institutional - Growth	1,864	-
20,036.889 (previous year: Nil) units of Pinebridge India Short Term Fund Standard - Growth	300	-
16,669.612 (previous year: Nil) units of Pramerica Short Term Floating Rate Fund - Growth	200	-
3,838.299 (previous year: Nil) units of Reliance Liquid Fund - Treasury Plan Institutional - Growth	118	-
41,619.283 (previous year: Nil) units of Religare Invesco Credit Opportunities Fund - Growth	584	-
24,191.038 (previous year: Nil) units of Tempelton India Treasury Management Account Super Institutional Plan - Growth	450	-
29,658.9882 units (previous year: Nil) of Kotak Liquid Scheme Plan A-Daily Dividend	363	-
1,736,152.036 units (previous year: Nil) of Kotak Banking & PSU Debt Fund-Daily Dividend	174	-
25,169.158 units (previous year: Nil) of Baroda Pioneer Liquid Fund-Plan A Daily Dividend-Reinvestment	252	-
24,758.270 units (previous year: Nil) Baroda Pioneer Treasury Advantage Fund-Plan A-Daily Dividend-Reinvestment	253	-
1,816,342.9706 units (previous year: 1,201,717.9830) of JP Morgan India Treasury Fund Super Inst. Daily Dividend Reinvest	182	120
17.006% Treasury Bill of CFC Stanbic Bank of Kshs 1,000,000	7	6
26,240.28 (Previous year:26,811.355 Units) of DWS Ultra Short Term Fund	26	27
22,722.602 units (previous year: 21,580.812) of Religare Ultra Short Term Fund- Daily Dividend	229	216
Nil (previous year: 185,972.58) units of Birla SL FRF Long Term Growth	-	259

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

20 Current investments (Contd.)

(valued at lower of cost and fair value)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Nil (previous year: 3,889,376.45) units of IDFC Dynamic Bond Fund Growth	-	547
Nil (previous year: 12,634.56) units of Indiabulls Liquid Fund Growth	-	144
Nil (previous year: 1,335,368.47) units of JP Morgan India Liquid Fund Growth	-	203
Nil (previous year: 37,784.61) units of Pinebridge India total Return bond fund Growth	-	574
7,291,933.689 (previous year: 19,743,589.36) units of Sundaram Ultra Short Term fund Growth	1,220	3,153
148,856.57 (previous year: 61,568.93) units of Taurus Liquid fund Growth	1,999	778
Nil (previous year: 165,473.74) units of Taurus Ultra Short Term fund Growth	-	2,305
	13,468	9,385
Unquoted current investments		
Aggregate book value	13,468	9,385
Aggregate market value	-	-

21 Inventories

(valued at the lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Stores and spares	959	911
Bunker and lube oil	182	194
	1,141	1,105

22 Trade receivables

(unsecured and considered good)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Receivables outstanding for a period exceeding six months from the date they became due for payment		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	650	1,066
(c) Doubtful	4,604	5,192
Less: Provision for doubtful receivables	(4,604)	(5,192)
(A)	650	1,066
Other receivables		
(a) Secured, considered good	-	236
(b) Unsecured, considered good	56,500	36,943
(c) Doubtful	66	184
Less: Provision for doubtful receivables	(66)	(184)
(B)	56,500	37,179
(A+B)	57,150	38,245

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

23 Cash and bank balances

(₹ in Lakhs)

Particulars	Non-current portion		Current portion	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash and cash equivalents				
Cash on hand	-	-	250	303
Balances with banks				
- in current accounts	-	-	15,224	12,496
- in deposit accounts (with original maturity of 3 months or less)	-	-	487	11
- in unpaid dividend account	-	-	2	2
- in exchange earners foreign currency	-	-	-	327
Cheques/drafts on hand	-	-	1	-
	-	-	15,964	13,139
Other bank balances				
- Deposit with original maturity for more than 3 months but less than 12 months from the reporting date	-	-	411	590
- Deposit due to mature after 12 months from the reporting date	258	9	-	-
- Margin money deposit (under lien)	-	-	94	90
	258	9	505	680
Amount disclosed under non-current assets (refer note 19)	258	9	-	-
	-	-	16,469	13,819

24 Short-term loans and advances

(Unsecured, considered good)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Current portion of long-term loans and advances (refer note 18)		
<i>To related parties</i>	168	14
<i>To parties other than related parties</i>	815	2,229
Other short-term loans and advances		
<i>To parties other than related parties</i>		
Security Deposits		
Considered good	429	233
Considered doubtful	3	-
Less: Provision for doubtful deposits	(3)	-
	429	233
Loans to employees	32	45
Prepaid expenses	4,510	2,716
Advances for supply of goods	2,302	2,693
Advances to employees	588	397
Balance with customs and ports	227	400
Cenvat Credit receivable	217	754
VAT receivable	595	1,483
Others	3,339	1,368
	13,222	12,332

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

25 Revenue from operations

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Sale of services		
Multimodal transport operations	412,545	318,564
Container freight stations	31,123	31,071
Project and engineering solutions	35,096	37,244
Vessel operating income	4,806	5,026
Third party logistic income	950	644
	484,520	392,549
Other operating revenue		
Management fees	22	-
Maintenance income	17	15
Liaibility written back no longer required	158	25
Exchange fluctuation	2	3
Business support charges	56	-
Bad debts recovered	218	-
Provision for Doubtful Debts written back	820	2
Miscellaneous income	130	33
	1,423	78
	485,943	392,627

26 Other income

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Interest income on		
- fixed deposits with banks	139	223
- loans given to other parties	104	46
- inter corporate deposits	65	179
Dividend income from		
- current investments	41	29
- long term investments	13	13
Other non-operating income		
- gain on cancellation/ settlement of derivatives	1,479	4,485
- profit on sale of investment (net)	568	807
- profit on sale of fixed assets (net)	167	365
- rental income	419	233
- interest on Income Tax Refund	422	1
- others	85	29
Net gain on account of foreign exchange fluctuations	148	208
	3,650	6,618

27 Employee benefits expenses

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Salaries, wages and bonus	60,391	46,540
Staff welfare expenses	3,429	2,705
Contributions to provident and other funds	7,836	6,222
Compensated absences	800	808
Gratuity	306	65
	72,762	56,340



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28 Finance costs

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Interest expense		
- bank term loan	2,252	768
- buyers' credit	1,456	2,371
- finance lease obligations	244	241
- vehicle finance loan	399	495
- foreign currency term loan	502	300
- rupee term loan	26	377
- working capital term loan	124	53
- bank overdraft	133	42
- others	409	343
	5,545	4,990
Other borrowing costs		
Processing fees	87	53
	87	53
Net loss on foreign currency transactions and translation to the extent regarded as borrowing costs (refer note 4)	-	(899)
	5,632	4,144

29 Depreciation and amortisation

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Depreciation of tangible fixed assets	13,485	14,318
Amortisation of intangible fixed assets	3,968	317
Depreciation on investment property	93	100
	17,546	14,735

30 Other expenses

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Multimodal and transport related operational expenses		
Freight and other ancillary cost	300,192	230,089
Delivery order/ documentation charges	778	647
Insurance	562	465
(A)	301,532	231,201
Container freight stations related operational expenses		
Handling and Transportation charges	10,999	9,648
Power and fuel costs	1,682	1,283
Repairs and maintenance-Others	198	197
(B)	12,879	11,128
Project and engineering solutions related operational expenses		
Project operating and hiring expenses	13,447	15,496
Power and fuel costs	3,203	2,828
Repairs and maintenance - machinery	2,726	2,621
Stores and spares consumed	2,046	1,949
Insurance	231	248
(C)	21,653	23,142

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

30 Other expenses

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Vessel operating related operational expenses		
Wages, bonus and other allowances of floating staff	740	762
Spares consumed	259	143
Fuel and oil	1,507	1,914
Insurance	80	60
Repairs - others	99	168
Other vessel operating expenses	1,138	1,039
(D)	3,823	4,086
Other operational cost		
Third party logistics expenses	500	389
(E)	500	389
Other Administrative Expenses		
Electricity charges	1,293	1,148
Rent	8,275	6,127
Repairs to :		
Building	657	569
Others	1,347	1,050
Insurance	691	532
Rates and taxes	1,477	1,206
Travelling expenses	4,770	3,576
Legal and professional fees	2,606	3,818
Payment to auditors	594	399
Communication charges	2,052	1,617
Printing and stationery	1,388	814
Bank charges	462	386
Contract staff expenses	135	129
Business promotion	2,377	1,535
Provision for doubtful debts	-	3,130
Provision for doubtful loans and advances	12	-
Bad debts/advances written off	503	1,033
Directors fees and commission	91	54
Donations	450	146
CSR activities	94	124
Office expenses	988	821
Forex gain/loss	747	156
Security expenses	486	328
Miscellaneous expenses	2,168	2,027
(F)	33,663	30,725
(A)+(B)+(C)+(D)+(E)+(F)	374,050	300,671

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

31 Exceptional items

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Others	-	1
	-	1

32. Earning per share

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Net profit after tax attributable to equity shareholders before exceptional items (A)	14,933	16,975
Net profit after tax attributable to equity shareholders after exceptional items (B)	14,933	16,974
Number of equity shares at the beginning of the year	126,037,382	130,173,831
Add: Shares issued on exercise on account of Employee stock options during the year	10,380	-
Less: Shares bought back during the previous year	-	(4,136,449)
Number of equity shares outstanding at the end of the year	126,047,762	126,037,382
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (C)	126,044,070	127,625,525
(used as denominator for calculating Basic EPS)		
Effect of potential equity shares to be issued under ESOP	-	34,789
Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	126,044,070	127,660,314
(used as denominator for calculating Diluted EPS)		
Basic (in rupees) per share of face value ₹ 2 before exceptional items(A)/(C)	11.8	13.3
Diluted (in rupees) per share of face value ₹ 2 before exceptional items (A)/(D)	11.8	13.3
Basic (in rupees) per share of face value ₹ 2 after exceptional items (B)/(C)	11.8	13.3
Diluted (in rupees) per share of face value ₹ 2 after exceptional items (B)/(D)	11.8	13.3

33. Contingencies and commitments

(to the extent not provided for)

(₹ in Lakhs)

Particulars	March 31, 2014	March 31, 2013
Contingent liabilities:		
a Disputed liabilities in Appeal		
- Income Tax (refer note 1 below)	6,729	6,729
- Income Tax (A.Y 2010-11)	1,520	-
- Customs	211	181
- VAT Tax	1	-
- Entry Tax	72	-
- Service Tax	1,048	1,138
b Claim against the Company not acknowledged as debt	357	208
c Bank guarantees	32,117	12,014
d Customs Recovery	87	33
Commitments:		
a Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	961	1,736

Note 1 : Disputed income tax liabilities in Appeal include one matter where the Income Tax Department had issued assessment orders against the Company, whereby, the claim of deduction by the Company under Section 80-IA (4) of The Income Tax Act, 1961 was disallowed from the assessment years 2004-05 to 2009-10 and raised a demand of ₹ 6,729 Lakhs on the Company. The Company has filed an appeal against the said assessment orders.

The special bench of Income Tax Appellate Tribunal vide its order dated July 06, 2012 and divisional bench of Income Tax Appellate Tribunal vide its order dated December 05, 2012 upheld the Company's plea and accordingly the Company has continued to claim deduction under Section 80IA (4) of the Income Tax Act, 1961.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In view of the foregoing, the Company continues to provide Current Tax under the provisions of Minimum Alternate Tax. The Department has filed an appeal on May 31, 2013 with the High court of Bombay against the said order of the Divisional Bench of Income Tax Appellate Tribunal.

34. Segment reporting

Business Segments:

The Group has identified four reporting segments viz. Multimodal Transport Operations, Container Freight Station, Project and Engineering Solutions and others segments as primary segment. The segments have been identified and reported taking into account the nature of services provided, the differing risks and returns and the internal business reporting systems, in terms to the information required by the Accounting Standard 17 ('AS 17') on 'Segment Reporting'. The accounting policies adopted for segment reporting are in line with the accounting policy of the Group with following additional policies for segment reporting:

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and liabilities represent the assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Geographical segments:

Although the Group's major operating divisions are managed on world wide basis, they operate in eight principal geographical areas of the world. Geographical revenues are allocated based on the location of service facilities and other assets of an enterprise within the Group.

Primary Segment Information

						(₹ in Lakhs)
Particulars	Multimodal Transport Operations	Container Freight Stations	Project and Engineering Solutions	Others	Unallocable	Total
Revenue						
External Revenue	412,483	31,206	41,309	945	-	485,943
	318,239	30,797	42,898	1,318	(625)	392,627
Add: Internal Segment Revenue	2,346	291	1,893	132	1,773	6,435
	973	157	2,532	108	625	4,395
Total Revenue	414,829	31,497	43,202	1,077	1,773	492,378
	319,212	30,954	45,430	1,426	-	397,022
Segment Results before Interest and Tax (Before Inter Segment Elimination)	16,503	9,752	1,649	37	-	27,941
	14,840	11,400	4,087	55	-	30,382
Less: Inter Segment Elimination	1,637	(1,378)	(793)	(133)	-	(667)
	(359)	(1,803)	2,200	(528)	-	(490)
Segment Results before Interest and Tax (After Inter Segment Elimination)	18,140	*8,374	*856	(96)	-	27,274
	14,481	*9,597	*6,287	(473)	-	29,892
Interest Expenses					(5,632)	(5,632)
					(4,144)	(4,144)
Unallocated Income					2,170	2,170
					2,134	2,134
Unallocated Expenses					(4,209)	(4,209)
					(4,527)	(4,527)
Exceptional Item					-	-
					(1)	(1)

* Includes realised gain on cancellation of derivatives taken to hedge liabilities arising on aquisition of segment assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

Particulars	Multimodal Transport Operations	Container Freight Stations	Project and Engineering Solutions	Others	Unallocable	Total
Profit before tax					19,603	19,603
					23,354	23,354
Current Tax					(3,746)	(3,746)
					(6,323)	(6,323)
Deferred Tax					(1,393)	(1,393)
					(1,924)	(1,924)
MAT Credit					980	980
					3,126	3,126
Profit After Tax					15,444	15,444
					18,233	18,233
Segment Assets (Before Inter Segment Eliminations)	181,327	41,203	97,687	3,500	81,495	405,212
	111,183	40,971	96,649	3,153	94,773	346,729
Add/(Less): Inter Segment Elimination	(2,113)	3,755	(7,422)	143	(36,591)	(42,228)
	(4,988)	3,607	599	-	(46,656)	(47,438)
Segment Assets (After Inter Segment Eliminations)	179,214	44,958	90,265	3,643	44,904	362,984
	106,195	44,578	97,248	3,153	48,117	299,291
Segment Liabilities	54,316	2,974	7,146	186	4,752	69,373
	33,808	2,783	9,302	103	8,294	54,290
Capital expenditure	1,738	1,140	4,432	686	1,115	9,111
	1,933	14,747	9,371	44	1,690	27,785
Depreciation	2,605	1,565	12,936	111	329	17,546
	2,054	1,353	10,942	78	308	14,735

Secondary Segment Information.

The secondary segment relates to geographical segments viz. Operations within India and outside India based on location of the same.

(₹ in Lakhs)

Country/Region	March 2014				March 2013			
	Segment Revenue	Segment Assets	Segment Liabilities	Total Cost incurred to acquire Segment Assets	Segment Revenue	Segment Assets	Segment Liabilities	Total Cost incurred to acquire Segment Assets
India	124,346	195,598	18,750	7,593	123,831	204,541	25,942	25,939
Africa	8,275	1,133	748	35	8,856	1,193	852	14
America	99,893	22,032	17,499	286	59,313	8,396	5,451	137
Far East	100,312	25,780	16,274	619	81,181	20,469	12,020	423
Australia & New Zealand	10,383	1,197	1,026	6	9,928	1,293	1,027	26
Europe	124,613	112,975	12,395	503	92,522	59,864	7,038	1,207
Mediterranean	17,869	4,157	2,670	51	16,996	3,535	1,960	39
Nepal	252	112	10	18	*	*	*	*
Total	485,943	362,984	69,372	9,111	392,627	299,291	54,290	27,785

* refer note 5(c)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

35. Leases

Operating leases as lessee

- a. The Group has taken commercial properties on non-cancellable operating lease. The lease agreement provides for an option to the Group to renew the lease period at the end of non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements. The future minimum lease payments in respect of lease property as at 31 March 2014 is as follows:

(₹ in Lakhs)		
Particulars	March 31, 2014	March 31, 2013
Lease Payments		
Not later than one year	2,662	1,137
Later than one year but not later than 5 years	3,615	2,101
Later than 5 years	1,021	1,129
Payment of lease rentals during the year	1,633	1,072

Operating leases as lessor

- b. The Group has given commercial properties on non-cancellable operating lease. The lease agreement provides for an option to the Group to renew the lease period at the end of non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements. The future minimum lease receipts in respect of lease property as at 31 March 2014 is as follows:

(₹ in Lakhs)		
Particulars	March 31, 2014	March 31, 2013
Lease Payments		
Not later than one year	731	-
Later than one year but not later than 5 years	295	-
Later than 5 years	-	-
Payment of lease rentals during the year	207	-

- c. The Group has taken warehouses and office premises on finance lease. As per Accounting Standard (AS) -19 "Accounting for Leases" as prescribed by the Companies (Accounting Standards) Rules, 2006, issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, it recognized as a Finance Lease transaction. Disclosure as required by the Accounting Standard 19 are set out as below:

(₹ in Lakhs)		
Particulars	March 31, 2014	March 31, 2013
The future minimum lease payment on account of these leases are as follows :		
<u>Finance lease:</u>		
Finance lease is secured by underlying assets		
The total minimum lease liability for assets obtained on finance lease basis is ₹ 2,493 Lakhs (previous year : ₹ 2,426 Lakhs) which includes interest of ₹ 315 Lakhs (previous year: ₹ 383 Lakhs)		
<u>Minimum Lease payments</u>		
Payable within 1 year	563	374
Payable within 1 – 5 years	1,930	1,878
Payable beyond 5 years	-	174
<u>Present value</u>		
Payable within 1 year	546	363
Payable between 1-5 years	1,752	1,291
Payable beyond 5 years	-	146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

36. Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee benefits'

i) Defined Contribution Plans:

For the Company and Indian subsidiaries an amount of ₹ 429 Lakhs (previous year : ₹ 405 Lakhs) contributed to provident funds, ESIC and other funds (refer note 27) is recognised by as an expense and included in "Contribution to Provident & Other Funds" under "Employee benefits expenses" in the consolidated statement of profit and loss account. For foreign subsidiaries, the Group has contributed ₹ 7,408 Lakhs (previous year: ₹ 5,817 Lakhs) towards foreign defined contribution plan in accordance with local laws.

ii) Defined Benefit Plans

In accordance with Indian law, the Company and its subsidiaries in India provide for gratuity, post retirement medical benefit and pension plan, a defined benefit retirement plan covering eligible employees in India. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service subject to maximum payment of ₹ 10 Lakhs. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

The following table sets out the funded as well as unfunded status of the retirement benefit plans and the amounts recognized in the financial statements: -

	(₹ in Lakhs)					
	Funded		Unfunded		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
I Change in the defined benefit obligation						
Liability at the beginning of the year	413	367	191	164	604	531
Interest cost	33	29	1	-	34	29
Current service cost	63	81	150	27	213	108
Past Service Cost [Vested benefit] recognized during the period	13	-	-	-	13	-
Benefit paid	(24)	(28)	-	-	(24)	(28)
Exchange rate difference	-	-	37	-	37	-
Actuarial (gain) / loss on obligations	33	(35)	8	-	41	(35)
Liability at the end of the year	531	414	387	191	918	605
II Amount recognised in the balance sheet						
Liability at the end of the year	(531)	(414)	(387)	(191)	(918)	(605)
Fair value of plan assets at the end of the year	451	419	-	-	451	419
Net Assets/(liabilities) recognised in the balance sheet	(80)	5	(387)	(191)	(467)	(186)
III Expenses recognised in the statement of profit and loss						
Current service cost	63	81	150	27	213	108
Interest cost	33	29	1	-	34	29
Expected return on plan assets	(37)	(25)	-	-	(37)	(25)
Past Service Cost [Vested benefit] recognized during the period	13	-	-	-	13	-
Net actuarial (gain) / loss to be recognized	38	(49)	8	1	46	(48)
Exchange rate difference	-	-	37	-	37	-
Expense recognised in the statement of profit and loss	110	36	196	28	306	64

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Funded		Unfunded		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
IV Balance sheet reconciliation						
Opening net liability	(6)	116	191	163	185	279
Expense as above	110	36	196	28	306	64
Employers contribution paid	(24)	(158)	-	-	(24)	(158)
Exchange rate difference	-	-	-	-	-	-
Asset/(Liability) recognised in the balance sheet	80	(6)	387	191	467	185
V Change in the Fair Value of Plan Assets						
Fair Value of Plan Assets at the beginning of the year	419	251	-	-	419	251
Expected Return on Plan Assets	37	25	-	-	37	25
Contributions	3	158	-	-	3	158
Benefit Paid	(2)	(27)	-	-	(2)	(27)
Actuarial gain/(loss) on Plan Assets	(4)	12	-	-	(4)	12
Fair Value of Plan Assets at the end of the year	453	419	-	-	453	419
Total actuarial gain / (loss) to be recognised	38	(49)	-	-	38	(49)
VI Actual return on Plan Assets:						
Expected Return on Plan Assets	37	25	-	-	37	25
Actuarial gain /(loss) on Plan Assets	(4)	12	-	-	(4)	12
Actual Return on Plan Assets	33	37	-	-	33	37
VII Investment details of Plan Assets:						
Government of India Assets	41	41	-	-	41	41
Corporate Bonds	7	7	-	-	7	7
Insurer Managed Funds	394	366	-	-	394	366
Other	9	5	-	-	9	5
Total Plan Assets	451	419	-	-	451	419
VIII Actuarial assumptions						
Discount rate	9.39%	8.00%	9.39%	8.00%	9.39%	8.00%
Salary escalation	8.50%	6.00%	8.50%	6.00%	8.50%	6.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

Particulars	Year ended March 31,		Period ended March 31,	Year ended 31 December	
	2014	2013	2012	2010	2009
IX Experience adjustments					
Present value of defined benefit obligation	(531)	(413)	(374)	(231)	(143)
Fair value of the plan assets	451	419	258	166	138
Deficit in the plan	(80)	6	(116)	(65)	(5)
Experience adjustments on:					
Plan liabilities (gain)/loss	(2)	(64)	59	22	(14)
Plan assets (Loss)/Gain	(4)	12	-	(10)	(2)

(₹ in Lakhs)

Particulars	Funded		Unfunded		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
X Classification into Current/ Non Current						
Amount recognized in the balance sheet						
Current	80	4	-	1	80	5
Non Current	-	-	387	190	387	190
	80	4	387	191	467	195

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated terms of the obligation.

Salary escalation rate: The estimate of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Assumption regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

The Company continues to fund the trust in next year by reimbursing the actual payout.

- iii) **Compensated leave absences :** Following amounts are recognized in respect of unfunded obligations towards compensated leave absences:

Particulars	March 31, 2014	March 31, 2013
Amount recognized in the balance sheet		
Current	139	147
Non- current	2,878	1,867
	3,017	2,014
Amount recognized in Salaries and other benefit in the Statement of Consolidated profit and loss in respect of compensated leave liability	800	808

37. Related party disclosures

Related parties where control exists:

I. Associates

Transworld Logistics & Shipping Services Inc.(ceased to be an Associate w.e.f 15 August 2013)

Sealand Warehousing Private Limited (ceased to be an Associate w.e.f 29 November 2013)

Gujarat Integrated Maritime Complex Private Limited (ceased to be an Associate w.e.f 29 November 2013)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

II. Joint Venturers

Transnepal Freight Services Private Limited

III. Entities over which key managerial personnel or their relatives exercises significant influence:

Allcargo Movers (Bombay) Private Limited

Allcargo Shipping Services Private Limited

Allnet Infotech Private Limited

Alltrans Logistics Private Limited

Alltrans Port Management Private Limited

Avadh Marketing LLP

Avash Builders And Infrastructure Private Limited

Avashya Corporation Private Limited

FTL (India) Private Limited (Formerly known as Avashya Enterprises Private Limited)

Avashya Holdings Private Limited

Contech Estate LLP

Indport Maritime Agencies Private Limited

Jupiter Precious Gems and Jewellery Private Limited (formerly Jupiter Machines Private Limited.)

N.R. Holdings Private Limited

Poorn Estates Private Limited

Prominent Estate Holdings Private Limited

Sealand Crane Private Limited

SKS Netgate LLP

SKS Realty LLP

SKS Ventures Private Limited

Talentos (India) Private Limited

Talentos Entertainment Private Limited

Transindia Freight Private Limited

Transindia Freight Services Private Limited

Sealand Holdings Private Limited

Meridien Tradeplace Private Limited

Poorn Buildcon Private Limited

Panna Estates LLP

Black Soil Realty Investment advisors LLP

Container freight station Associations of India (upto 13 January 2014)

Panna Infracon Projects LLP

IV. Key Managerial Personnel

Shashi Kiran Shetty

Umesh Shetty

Adarsh Hegde

V. Relatives of Key Management Personnel

Arathi Shetty

Shobha Shetty

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

Sr. No.	Nature of Transaction	Associates		Joint Venture		Entities over which key managerial personnel exercises significant influence		Key Managerial Personnel and their relatives		Total	
		March	March	March	March	March	March	March	March	March	March
		31, 2014	31, 2013	31, 2014	31, 2013	31, 2014	31, 2013	31, 2014	31, 2013	31, 2014	31, 2013
1	MTO Income	107	502	-	-	-	-	-	-	107	502
2	MTO Operation expenses	110	742	-	-	-	-	-	-	110	742
3	Remuneration to Directors	-	-	-	-	-	-	609	555	609	555
4	Commission to Directors	-	-	-	-	-	-	300	793	300	793
5	Dividend paid	-	-	-	-	-	-	1,309	436	1,309	436
6	Salary paid	-	-	-	-	-	-	-	21	-	21
7	Rent paid	-	-	-	-	678	659	5	24	683	683
8	Professional fees paid	-	-	-	-	-	-	5	7	5	7
9	Car hire charges	-	-	-	-	-	6	-	-	-	6
10	Deposits										
	Opening Balance	-	-	-	-	2,464	2,464	-	300	2,464	2,764
	Deposits Given	-	-	-	-	5	1	5	-	10	1
	Deposits Received Back	-	-	-	-	6	1	-	300	6	301
	Closing Balance	-	-	-	-	2,463	2,464	5	-	2,468	2,464
11	Share Application money Pending Allotment	-	-	-	-	-	35	-	-	-	35
12	Share Application money Refund received	-	-	-	-	35	-	-	-	35	-
13	Outstanding payable										
	Trade payables	-	9	-	-	-	-	-	-	-	9
14	Directors Commission payable	-	-	-	-	-	-	300	788	300	788

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Details of material related party transactions which are more than 10% of the total transactions of the same type with a related party during the year ended March 31, 2014:-

- a. **MTO income includes sum received from Transworld Logistics and Shipping Services Inc USA ₹ 107 Lakhs.**
(During the previous year MTO Income includes sum received from Transworld Logistics and Shipping Services Inc USA ₹ 502 Lakhs)
- b. **MTO expenses includes sum paid to Transworld Logistics and Shipping Services Inc USA ₹ 110 Lakhs.**
(During the previous year MTO expenses includes sum paid to Transworld Logistics and Shipping Services Inc USA ₹ 742 Lakhs)
- c. **Remuneration to Directors includes Mr.Shashi Kiran Shetty ₹ 310 Lakhs, Mr.Umesh Shetty ₹ 164 Lakhs, Mr. Adarsh Hegde ₹ 134 Lakhs.**
(Remuneration to Directors during the previous year includes Mr. Shashi Kiran Shetty ₹ 312 Lakhs, Mr.Umesh Shetty ₹ 126 Lakhs, Mr. Adarsh Hegde ₹ 117 Lakhs)
- d. **Commission to Directors includes Mr. Shashi Kiran Shetty ₹ 150 Lakhs, Mr. Umesh Shetty ₹ 75 Lakhs, Mr. Adarsh Hegde ₹ 75 Lakhs, Mrs Arathi Shetty ₹ Nil.**
(Commission to Directors during the previous year includes Mr. Shashi Kiran Shetty ₹ 338 Lakhs, Mr.Umesh Shetty ₹ 225 Lakhs, Mr. Adarsh Hegde ₹ 225 Lakhs, Mrs. Arathi Shetty ₹ 5 Lakhs)
- e. **Dividend paid during the year to Mr.Shashi Kiran Shetty ₹ 1,224 Lakhs.**
(Dividend paid during the previous year includes payment made to Mr. Shashi kiran shetty ₹ 408 Lakhs)
- f. **Salary paid during the year includes ₹ Nil.**
(Salary Paid during the previous year includes payment made to Mr. Umesh Shetty till May 30, 2012 ₹ 21 Lakhs. With effect from 01 June 2012 Board of Directors has appointed Mr.Umesh Shetty as a Whole time Director and the remuneration paid/payable to them ₹ 126 Lakhs)
- g. **Rent Paid includes expenses paid/payable to Avash Builders and Infrastructure Private Limited ₹ 196 Lakhs, Talentos (India) Private Limited ₹ 191 Lakhs, Sealand Cranes Private Limited ₹ 102 Lakhs, Allnet Infotech Private Limited ₹ 94 Lakhs, Mr. Shashi Kiran Shetty ₹ Nil**
(Rent Paid during the previous year includes rent paid Avash Builders and Infrastructure Private Limited ₹ 262 Lakhs, Sealand Cranes Private Limited ₹ 136 Lakhs, Talentos (India) Private Limited ₹ 14 Lakhs, Allnet Infotech Private Limited ₹ 126 Lakhs, Mr. Shashi Kiran Shetty ₹ 24 Lakhs)
- h. **Professional fees paid to Mrs Shobha Shetty ₹ 5 Lakhs.**
(During the previous year professional fees paid/payable includes amount paid to Mrs. Shobha shetty ₹ 7 Lakhs)
- i. **Car hire charges paid/payable includes ₹ Nil**
(During the previous year car hire charges includes expenses paid/payable to Transindia Freight Services Private Limited ₹ 6 Lakhs)
- j. **Deposits given during the year includes sum paid to Panna Estates LLP ₹ 5 Lakhs, Mr.Adarsh Hegde ₹ 5 Lakhs.**
(During the previous year Deposit Paid includes ₹ Nil)
- k. **Deposits refund received during the year includes amount received from SKS Reality LLP ₹ 6 Lakhs**
(During the previous year Deposits received back includes the amount received from Mr. Shashi Kiran Shetty ₹ 300 Lakhs)
- l. **Deposit receivables includes deposit received from Avash Builders and Infrastructure Private limited ₹ 720 Lakhs , Talentos (India) Private Limited ₹ 701 Lakhs, Sealand Cranes Private Limited ₹ 374 Lakhs, Allnet Infotech Private Limited ₹ 346 Lakhs**
(Deposit Receivables during the previous year includes deposit received from Avash Builders and Infrastructure Private Limited ₹ 720 Lakhs, Talentos (India) Private Limited ₹ 701 Lakhs, Sealand Cranes Private Limited ₹ 374 Lakhs, Allnet Infotech Private Limited ₹ 346 Lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**m. Share application money pending allotment includes ₹ Nil.**

(Share application money pending allotment during the previous year includes money given to Prominent Estate Holdings Private Limited ₹ 35 Lakhs)

n. Share application money refund received includes refund received from Prominent Estate Holdings Private Limited ₹ 35 Lakhs

(Share application money refund received back during the previous year includes ₹ Nil)

o. Trade payable includes ₹ Nil

(Trade payables includes the amount payable to Transworld Logistics and Shipping Services Inc USA ₹ 9 Lakhs)

p. Directors commission payable includes Mr.Shashi Kiran Shetty ₹ 150 Lakhs, Mr. Adarsh Hegde ₹ 75 Lakhs, Mr Umesh Shetty ₹ 75 Lakhs

(Directors commission payable during the previous year includes Mr. Shashi Kiran Shetty ₹ 338 Lakhs, Mr. Adarsh Hegde ₹ 225 Lakhs, Mr Umesh Shetty ₹ 225 Lakhs)

38. Transfer Pricing**International and specified domestic transactions with related parties**

The Company's international and specified domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended March 31, 2013. Management believes that the Company's international and specified domestic transactions with related parties post March 31, 2013 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

39. Employee stock options issued by the Parent Company**Employee stock options**

- In 2006, the Company had instituted an 'Allcargo Employee Stock Option Plan 2006' (ESOS 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 compensation/remuneration committee of the Board evaluates the performance and other criteria of employees and approves the grant of options. The employees are granted an option to purchase shares of the Company at the respective exercise price, subject to the requirements of vesting conditions. These options generally vest over a period of 24 to 48 months from the date of grant. Upon vesting, the employees can acquire one equity share for each option. The maximum contractual term for these stock option plan is generally 7 years. The Company granted stock options to be adjusted for 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 stock compensation cost is computed under the intrinsic value method and amortised on a straight line basis over the vesting period of 7 years.
- The particulars of options granted under the said ESOS 2006 plans are tabulated below:

(₹ in Lakhs)

Particulars	Year ended March 31, 2014			Period ended March 31, 2013		
	No. of options		Weighted average price	No. of options		Weighted average price
	Series I (Pre Listing)	Series II (Post Listing)		Series I (Pre Listing)	Series II (Post Listing)	
Outstanding at the beginning of the year	-	30,000	₹ 2	18,555	38,500	₹ 2
Granted	-	-	-	-	-	-
Exercised	-	5,000	₹ 2	*4,300	-	₹ 2
Forfeited and lapsed	-	25,000	₹ 2	14,255	8,500	₹ 2
Outstanding at the end of the year	-	-	₹ 2	-	30,000	₹ 2

*Includes share application money received, pending allotment of shares.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

The options outstanding as at March 31, 2013 have an exercise price of ₹ 2 and a weighted average contractual life of 6 months.

As permitted by the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI guidelines') as well as by the guidance note on the subject issued by the Institute of Chartered Accounts of India, the Company has elected to account for stock options based on their intrinsic value (i.e. the excess of quoted market price of the underlying share over the exercise price) at the grant date rather than their fair value at that date. Had the compensation cost for employee stock options been determined on the basis of the fair value approach as described in the SEBI guidelines (and ICAI guidance note), the Company's net profit after tax and basic and diluted earnings per share would have been as per the proforma amounts shown below:

Particulars	(₹ in Lakhs)	
	March 31, 2014	March 31, 2013
Net profit after tax as reported	14,933	16,974
Add: Employee stock option compensation expense as per intrinsic value method	-	-
Less: Employee stock option compensation expense as per fair value	-	-
Adjusted proforma net profit after tax	14,933	16,974
Basic Earnings per share as reported	11.8	13.3
Basic Earnings per share – proforma	11.8	13.3
Diluted Earnings per share as reported	11.8	13.3
Diluted Earnings per share – proforma	11.8	13.3

- d. As at the end of the year, all the options granted under the said scheme has exercised/ lapsed and hence there are no outstanding options as at the end of the year.

40. Particulars of Derivative Instruments entered into by Group:-

The Group uses derivative and forward contracts to hedge its risks associated with foreign currency fluctuations. Such transactions are governed by the strategy approved by the Company's Board of Directors which provides principles on the use of these instruments consistent with the Company's Risk Management Policy. The Group does not use these contracts for trading or speculative purposes. The Group has marked to market the derivative contract outstanding as at March 31, 2014 which has resulted in a net gain to the Company. The Group has not recognised the resulted gain of ₹ 2,111 Lakhs, on prudent basis which is notional in nature.

Particulars of Derivative Instrument acquired for hedging	As at March 31, 2014			
	No. of Instruments	Currency	In Lakhs	(₹ in Lakhs)
A) Principle and Interest Rate Currency Swaps (to hedge buyers' credit)	20	USD	217	10,984
	7	EUR	339	28,014
B) Forward Contract towards Foreign Currency Term Loan	6	USD	64	4,250

Particulars of Derivative Instrument acquired for hedging	As at March 31, 2013			
	No. of Instruments	Currency	In Lakhs	(₹ in Lakhs)
A) Principal Only Swap (to hedge buyers' credit)	5	USD	60	3,079
B) Interest Rate Currency Swaps (to hedge buyers' credit)	6	EUR	103	7,103
	2	SGD	16	534
	23	USD	259	12,733
C) Forward Contract towards Buyers Credit	1	USD	4	203

No derivative instruments are acquired for speculation purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**Unhedged foreign currency exposure:-**

The foreign currency exposure not covered by forward contract /other derivative contracts as on March 31, 2014 and March 31, 2013 is given below:-

Trade and other payables

March 31, 2014			March 31, 2013		
Currency	Foreign Currency	(₹ in Lakhs)	Currency	Foreign Currency	(₹ in Lakhs)
Trade and other payables					
AED	-	-	AED	0.09	1
AUD	-	-	AUD	0.07	4
CHF	0.01	1	CHF	0.12	7
EUR	9.28	772	EUR	3.37	203
GBP	0.08	8	GBP	0.14	12
HKD	0.18	1	HKD	0.24	2
JPY	18.29	11	JPY	7.91	5
SEK	0.10	1	SEK	0.15	1
SGD	0.01	1	SGD	0.02	1
USD	71.72	4,290	USD	49.23	2,679
THB	0.22	1	THB	-	-
		5,086			2,915
Trade Receivables					
USD	48.96	2,910	USD	67.57	3,669
EUR	4.13	363	EUR	1.76	171
GBP	0.02	2	GBP	-	-
		3,275			3,840
Buyers' Credit					
SGD	-	-	SGD	50.30	2,205
USD	109.32	6,570	USD	378.89	20,607
		6,570			22,812

41. Investment in joint ventures

- (A) The Company has entered into a share purchase agreement on 20 June 2012 with IL&FS Maritime Infrastructure Company Limited (IMICL) for sale of its 45% stake (representing 45,000 equity shares of ₹ 10 each) in Gujarat Integrated Maritime Complex Private Limited (GIMCO) and 50% stake (representing 4,674,807 equity shares of ₹ 10 each) in Sealand Warehousing Private Limited (SWPL). During previous year, the Company has, in accordance with the provisions of the said Agreement and on fulfilment of certain terms and conditions, transferred 19,000 equity shares of GIMCO and 2,243,907 equity shares of SWPL to IMICL against agreed consideration. W.e.f 21 June 2012 post sale and transfer of equity shares as aforesaid, the Company was holding 26% stake in GIMCO and SWPL and accordingly the interests in the joint ventures are reported as long-term investments (refer note 17) and stated at cost.

During the current year, on fulfilment of all the contractual obligation and on receipt of the balance agreed consideration the Company has transferred the balance 26,000 equity shares of GIMCO and 2,430,900 equity shares of SWPL to IMICL. The net income booked for the current year is ₹ 27 Lakhs (previous year: ₹ 20 Lakhs)

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

The Company's interests in joint ventures is accounted , in accordance with the principles and procedures set out in AS – 27, 'Financial Reporting of Interests in Joint Ventures' specified in the Companies (Accounting Standards) Rules, 2006.

Sr. No.	Joint Venture	Location	Principal Activities	Ownership Interest
1	Transnepal Freight Services Private Limited	Nepal	Container Freight Stations	50%

- (B) The interest in the joint ventures are reported as lon term investments (refer note - 17) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses etc. related to its interest in joint ventures, based on unaudited financial statement is:-

		(₹ in Lakhs)	
Particulars	March 31, 2014	March 31, 2013	
I. ASSETS			
Fixed assets	50	41	
Investments	3	3	
Current assets, loans and advances			
a) Cash and bank balances	43	10	
b) Loans and advances	18	17	
II LIABILITIES			
Share capital (including bonus issue)	14	14	
Share application money	-	-	
Reserves & surpluses	89	21	
Loan funds	-	-	
Current liabilities			
a) Liabilities	10	36	
b) Provisions	1	-	
III INCOME			
Operating revenue	252	200	
Other income	1	4	
IV. EXPENSES			
Operating expenses	114	130	
Employee benefit expenses	36	34	
Admin and other expenses	28	19	
Depreciation	7	4	
Provision for taxation (including deferred taxation and Provision for tax for earlier years written back, net)	-	-	
V. Contingent liabilities	-	-	
VI. Capital Commitments	-	-	

42. Amalgamation of MHTC Logistics Private Limited with the Company

During the year, MHTC logistics Private Limited (hereinafter referred to as "MHTC"), a wholly owned subsidiary of the Company, incorporated with the main object to do Project logistics as well as Freight forwarding business, was amalgamated into the Company pursuant to the Scheme of Amalgamation (hereinafter referred to as "Scheme"), as on and from April 01, 2012, being the appointed date pursuant to the approval of Board of Directors and shareholders of the Company and sanctioned by the Honorable High Court of Bombay vide its order dated December 06, 2013 which was filed with Registrar of Companies on January 24, 2014. No consideration is payable or receivable on implementation of the scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

The Company has carried out the accounting treatment prescribed in the Scheme as approved by the Honorable High Court of Bombay. The required disclosures for accounting of Scheme as per the "Pooling of Interest Method" as given under Accounting Standard 14 (AS 14) "Accounting for Amalgamations" as prescribed under the Companies (Accounting Standards) Rules 2006 have been provided.

MHTC was acquired in April 2011 and since then it was a wholly owned subsidiary of the Company and accordingly, the Group has recognised a goodwill of ₹ 2,417 Lakhs (at the time of acquisition). Pursuant to the amalgamation of MHTC with the Company, in consolidation:

- The Group has increased the general reserves and statement of profit and loss by ₹ 1,332 Lakhs and ₹ 11 Lakhs respectively, which were pre-acquisition related reserves at the time of acquisitions;
- On account of cross holding of shares held by MHTC in the Company (in compliance with section 42 of the Companies Act 1956), total reserves amounting to ₹ 285 Lakhs, (as recognised in the past years), has now been adjusted and increased in the current year; and
- As explained in note (d) above, the Group has reduced securities premium account by ₹ 635 Lakhs and net effect of the aforesaid transactions of ₹ 993 Lakhs has been adjusted as 'goodwill on merger' under the intangibles. Resulting this, the total goodwill accounted in the consolidated books amounts to ₹ 3,410 Lakhs (including ₹ 2,417 Lakhs recognised as goodwill at the time of acquisition).

Had the Scheme not prescribed the aforementioned accounting treatment and the Company had followed the accounting treatment prescribed under AS 14, there would not have been any Goodwill on Merger arising out of deficit arising against cancellation of Investment against share capital of the amalgamating company, and the General Reserves of the Company would have been lower by ₹ 3,410 Lakhs.

The total goodwill amounting to ₹ 3,410 Lakhs has been fully amortised by the Group during the current year.

43. Buy back of shares:-

The Board of Directors of the Company in its meeting held on 20 June 2012 approved the buyback of 5,263,158 equity shares of ₹ 2 each fully paid at prices not exceeding ₹ 142.50 per equity shares payable in cash, up to an aggregate amount not exceeding ₹ 7,500 Lakhs from the open market through stock exchange(s).

During the previous year, the Company has bought back and extinguished 4,136,449 equity shares at an average price of ₹ 139.69 per equity share for an aggregate amount of ₹ 5,817 Lakhs (inclusive of transaction cost).

Since the Company had completed 78% of the buyback offer within a period of 8 months, the Company has announced closure of buyback of its shares with effect from 04 March 2013. During the previous year, pursuant to the buy back of shares as aforesaid, the issued, subscribed and paid up capital of the Company reduced from ₹ 2,604 Lakhs comprising of 130,173,831 equity shares of ₹ 2 each fully paid to ₹ 2,521 Lakhs comprising of 126,037,382 shares of ₹ 2 each fully paid.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No: 101248W

Aniruddha Godbole

Partner
Membership No: 105149

Mumbai
May 24, 2014

For Appan & Lokhandwala Associates

Chartered Accountants
Firm's Registration No: 117040W

M.Subramanian

Partner
Membership No: 111106

Mumbai
May 24, 2014

For and on behalf of Board of Directors

Shashi Kiran Shetty
Chairman and
Managing Director

Jatin Chokshi
Chief Financial Officer

Mumbai
May 24, 2014

Keki Elavia
Director

Shailesh Dholakia
Company Secretary

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS OF SUBSIDIARIES FOR THE YEAR ENDED MARCH 31, 2014

(₹ in Lakhs)

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.	175	3,486	5,534	5,534	6	27,053	220	115	105	-
2	Contech Transport Services Pvt. Ltd.	28	1,633	1,963	1,963	1,152	737	(3)	-	(3)	-
3	Ecu Line (India) Pvt. Ltd.	1	(1)	1	1	-	-	1	-	1	-
4	Allcargo Shipping Co.Pvt.Ltd.	109	6,687	7,352	7,352	1,042	5,219	135	3	132	-
5	South Asia Terminals Pvt.Ltd.	653	(914)	1,675	1,675	-	2,590	(154)	-	(154)	-
6	Southern Terminals & Trading Pvt. Ltd.	1	228	229	229	-	-	11	-	11	-
7	AGL Warehousing Pvt. Ltd.	150	3,102	3,344	3,344	3,307	-	(112)	-	(112)	-
8	Allcargo Logistics Park Pvt.Ltd.	758	(265)	2,376	2,376	-	1,802	158	18	140	-
9	Ecu International (Asia) Pvt. Ltd.	5	23	43	43	26	2	1	-	1	-
10	Comptech Solutions Pvt.Ltd.	145	(18)	717	717	552	-	41	17	24	-
11	Amfin Consulting Pvt. Ltd.	1	180	185	185	182	-	9	-	9	-
12	Transindia Logistic Park Pvt Ltd.	8	4,950	14,051	14,051	-	3,002	(421)	-	(421)	-
13	Combi Line Indian Agencies Pvt. Ltd.	3	(14)	3	3	-	-	(3)	-	(3)	-
14	HC Logistics Ltd.	5	-	5	5	-	-	-	-	-	-
15	Credo Shipping Agencies (I) Pvt. Ltd.	1	-	1	1	-	-	-	-	-	-
16	Ecu Line Abu Dhabi LLC	25	454	522	522	-	468	48	-	48	-
17	Ecu-Line Algeria sarl	8	166	558	558	-	1,265	159	42	117	-
18	Ecu Logistics SA	1	57	290	290	-	1,872	34	22	12	-
19	Ecu-Line Australia Pty.Ltd.	56	144	1,295	1,295	-	11,096	518	159	359	412
20	Ecuhold NV	2,592	25,398	56,578	56,578	38	442	(307)	40	(346)	-
21	Allcargo Belgium N.V.	9,496	(1,366)	52,986	52,986	-	271	(729)	-	(729)	-
22	Ecubro N.V.	64	(105)	31	31	-	-	-	-	-	-
23	Ecu International N.V.	3,437	(1,312)	21,554	21,554	-	4,140	231	63	168	-
24	Ecu-Tech BVBA	15	(186)	299	299	-	561	(59)	-	(59)	-
25	Ecu-Line N.V.	2,923	1,966	30,265	30,265	13	51,033	613	155	459	-
26	Ecu-Logistics N.V.	568	(562)	3,385	3,385	-	6,981	(375)	-	(375)	-
27	AGL N.V.	27,083	(755)	27,227	27,227	-	-	(10)	-	(10)	-
28	HCL Logistics nv	330	(374)	793	793	-	4,168	(118)	6	(124)	-
29	Ecu Global Services NV	23,261	(1,911)	22,263	22,263	-	228	284	-	284	-
30	Ecu Logistics do Brasil Ltd.a	15	(1,244)	1,186	1,186	-	5,153	(896)	(13)	(883)	-
31	Flamingo Line do Brazil Ltd.a	13	(263)	2	2	-	-	(3)	-	(3)	-
32	Ecu Line Bulgaria EOOD	2	(61)	57	57	-	506	19	-	19	-
33	Ecu-Line Canada Inc.	-	(138)	789	789	-	7,432	(8)	2	(10)	-
34	Ecu Line Chile S.A.	33	473	991	991	-	4,883	(11)	5	(16)	-
35	Cargo Freight Station S.A.	34	112	552	552	-	1,719	109	27	82	-
36	Flamingo Line Chile S.A	11	6	17	17	-	2	(3)	-	(3)	-
37	Ecu Line Guangzhou Ltd.	1,030	(27)	4,477	4,477	-	16,849	199	5	193	-
38	Ecu Line De Colombia S.A.	113	85	391	391	-	1,781	178	68	110	-
39	Conekli International S.A.	-	85	268	268	-	1,467	134	22	112	19
40	Ecu Line Middleeast LLC	49	4,332	5,540	5,540	-	7,687	403	-	403	-
41	Eurocentre FZCO	213	1,086	1,446	1,446	-	1,541	83	-	83	-
42	Ecu Line Del Ecuador S.A.	6	17	279	279	-	2,645	198	49	148	89
43	Flamingo Line del Ecuador S.A.	2	2	45	45	-	326	12	3	9	-
44	Ecu Line Egypt Ltd.	9	48	324	324	-	2,091	394	83	310	202
45	Flamingo Line El Salvador SA de CV	1	13	38	38	-	227	7	2	4	-
46	Ecu-Line Germany GmbH	773	1,235	3,881	3,881	-	18,624	317	104	212	-
47	ELWA (Ghana) Ltd.	24	32	103	103	-	318	55	14	41	-
48	Flamingo Line Guatemala S.A.	-	34	86	86	-	463	17	11	6	-
49	Ecu-Line Hong Kong Ltd.	118	1,086	3,495	3,495	-	12,372	818	122	697	676
50	Ecu International Far East Ltd.	1	374	4,199	4,199	-	2,860	(79)	-	(79)	-
51	Ecu Line Italia srl	50	98	3,693	3,693	-	12,919	68	63	5	-
52	Ecu Line Cote d'Ivoire Sarl	1	47	126	126	-	576	63	22	41	-
53	Ecu Line Japan Ltd.	175	38	2,182	2,182	-	21,622	244	45	198	-
54	Jordan Gulf for Freight Services	43	94	376	376	-	2,507	110	15	95	-
55	Ecu Line Kenya Ltd.	28	160	499	499	-	2,282	60	18	41	-
56	Ecu Shipping Logistic (K) Ltd.	7	3	10	10	7	-	(2)	-	(2)	-

(₹ in Lakhs)

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
57	Ecu-Line (Johor Bahru) Snd. Bhd.	110	52	277	277	-	969	24	-	24	-
58	Ecu Line Mediterranean Ltd.	7	30	89	89	-	665	13	2	11	-
59	CELM Logistics S.A. De C.V.	2	90	351	351	-	958	261	60	201	-
60	Ecu Logistics de Mexico SA de CV	2	530	1,203	1,203	-	7,631	304	62	241	32
61	Ecu Line Maroc S.A.	38	296	1,046	1,046	-	3,342	193	60	133	-
62	Ecu-Line Rotterdam BV	705	(74)	4,027	4,027	-	6,983	254	-	254	-
63	Ecu Line NZ Ltd.	-	34	292	292	-	1,807	130	37	93	85
64	Ecu-Line de Panama S.A.	15	103	360	360	-	2,030	(36)	5	(41)	-
65	Ecu-Line Paraguay S.A.	7	7	27	27	-	149	3	-	3	-
66	Ecu-Line Peru S.A.	11	91	208	208	-	2,327	91	21	69	-
67	Flamingo Line Peru S.A.	7	13	16	16	-	106	15	4	10	-
68	Ecu Line Philippines Inc.	134	42	526	526	-	2,806	39	17	23	-
69	Ecu-Line Polska Sp. z o.o.	10	(56)	203	203	-	1,691	(64)	-	(64)	-
70	Ecu Line Doha W.L.L.	33	173	337	337	-	1,438	68	3	66	-
71	Ecu-Line Romania SRL	1	61	172	172	-	1,194	25	4	21	-
72	Rotterdam Freight Station BV	15	(34)	277	277	-	1,729	(8)	-	(8)	-
73	Ecu Line Singapore Pte. Ltd.	715	489	4,800	4,800	-	13,114	187	16	171	488
74	Ecu Line South Africa (Pty.) Ltd.	-	152	777	777	-	8,524	242	69	174	64
75	Ecu Line Spain S.L.	101	119	1,055	1,055	-	5,964	(74)	-	(74)	-
76	Mediterranean Cargo Centers S.L.	99	(446)	135	135	-	590	105	-	105	-
77	Ecu Line (Thailand) Co.Ltd.	93	154	1,206	1,206	-	8,252	151	35	116	180
78	Société Ecu-Line Tunisie Sarl	38	78	410	410	-	1,349	28	8	20	-
79	Ecu Uluslarasi Tas. Ve Ticaret Ltd. Sti.	62	139	680	680	-	3,192	209	51	157	-
80	Ecu-Line UK Ltd.	700	42	2,091	2,091	-	11,025	502	117	384	3
81	Deolix SA	27	(5)	94	94	-	716	-	4	(4)	-
82	DLC	1,492	(6)	1,553	1,553	-	-	27	-	27	-
83	ELV Multimodal C.A.	10	802	1,172	1,172	-	1,328	151	10	141	-
84	Administradora House Line C.A.	-	134	163	163	-	39	34	2	32	-
85	Ecu-Line Vietnam Co. Ltd.	46	257	864	864	-	4,219	288	74	214	-
86	Eurocentre Milan SRL	8	82	343	343	-	1,042	110	37	72	-
87	Ecu Line Switzerland GmbH	34	3	339	339	-	1,866	(21)	-	(21)	-
88	Guldary s.a.	3	2,142	2,165	2,165	-	5,648	2,073	8	2,065	1,075
89	S.H.E. Maritime Services Ltd.	3	144	1,195	1,195	-	8,192	232	67	165	102
90	China Consolidated Company Ltd.	9,007	9,219	20,235	20,235	-	13,557	2,981	-	2,981	-
91	Star Express Company Ltd.	9,007	(4)	9,007	9,007	-	-	(2)	-	(2)	-
92	CCS Shipping Ltd.	519	64	1,372	1,372	-	13,946	38	13	25	-
93	China Consolidation Services Shipping Ltd.	-	510	510	510	-	-	-	-	-	-
94	China Consolidation Services Ltd.	487	843	1,369	1,369	-	1,427	(15)	26	(40)	-
95	Ecu Line Lanka (Pvt.) Ltd.	-	50	246	246	-	1,295	27	4	23	-
96	PT Eka Consol Utama Line	16	56	666	666	-	2,977	51	18	33	-
97	Ecu Line Czeche s.r.o	6	(315)	219	219	-	1,536	(42)	-	(42)	-
98	Translogistik International Spedition GmbH	21	84	237	237	-	1,715	19	6	13	69
99	European Customs Brokers N.V.	51	41	474	474	-	502	-	10	1	-
100	Ecu-Line Saudi Arabia LLC	216	446	1,456	1,456	-	5,420	452	68	383	-
101	Asia Line Limited	1,321	622	8,363	8,363	-	182	201	-	201	-
102	FCL Marine Agencies B.V.	15	(18)	3,420	3,420	-	26,329	(6)	-	(6)	-
103	Prism Global LLC	12,370	(11,326)	25,127	25,127	-	-	(2,145)	(376)	(1,769)	-
104	Integrity Enterprises Pty Ltd.	22	-	22	22	-	-	-	63	(63)	211
105	aECU-Line (Indian Ocean Islands) Ltd.	14	14	57	57	-	331	15	-	15	-
106	Econocaribe Consolidators, Inc.	-	7,608	19,686	19,686	-	46,290	1,130	-	1,130	-
107	Econoline Storage Corp.	-	1,863	1,864	1,864	-	201	(65)	-	(65)	-
108	ECI Customs Brokerage, Inc.	-	479	641	641	-	659	34	-	34	-
109	OTI Cargo, Inc.	-	644	563	563	-	1,515	50	-	50	-
110	Ocean House Ltd.	173	82	332	332	-	62	41	10	31	-

Notes:

Balance Sheet items are translated at closing exchange rate of 01 Euro=INR 82.5765

Profit / (Loss) items are translated at average exchange rate of 01 Euro=INR 81.0551

[illegible]



The Avvashya House, 6th Floor, CST Road,
Kalina, Santacruz (E), Mumbai 400098, India.
www.allcargologistics.com
Tel: +91 22 66798100 | Fax: +91 22 66798195

CIN: L63010MH2004PLC073508