Annual Report 2007

Outgrow
Outrun

Allcargo Global Logistics Limited

Geography simplified


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Contents

Chairman's Statement

"We believe in leadership. We aim to be amongst the top three in every segment we operate in. Through investment, through acquisition, through thought and most importantly, through execution."

Dear Shareholders,

Allcargo likes to think big. We believe the biggest inhibitions are those of the mind. And if you have the vision, the passion and the determination, chances are high that you will succeed. We too have a vision. To be a global leader in our segments in logistics.

Logistics globally is USD 2 trillion business. In India, it is a USD 90 billion business, forming around 13% of the GDP. As India adds USD 100 billion to its GDP, the logistics market is likely to keep expanding. Logistics business growth is directly linked to increased globalization. As the world gets flatter, our business too expands further.

It's how big you think that matters

The opportunity is the same for everyone. It's how big you think that is important. We believe in leadership. We aim to be amongst the top three in every segment we operate in. Through investment, through acquisition, through thought and most importantly, through execution. And it is with this passion and determination that we are creating a company that is integrated to participate in the logistics opportunity in the biggest possible way, through multiple businesses and entities. We will not just be an operator, but an infrastructure builder. A completely integrated player.

MTO

We are the second largest in the world, in the LCL consolidation space post the ECU Line acquisition in 2006. This market at Rs. 400,000 million globally is expected to grow at 7-8% over the next 3-5 years. We believe that being a neutral operator, we will capture a higher share and grow this business faster than the industry. Our global reach of 109 offices in 51 countries makes us a preferred partner of choice. This business is also a natural hedge against economic volatility, thanks to our global footprint. We have completed the ECU integration and have started to outsource several operations to India such as documentation, legal and accounting. This has enabled us to achieve standardization in our processes as well as improve the overall quality of our work.

CFS/ICD

The CFS/ICD market in India is valued at approximately Rs. 35,000 million and is growing aggressively at 15-20%. This is logistics infrastructure and speed and first mover advantage are critical to gain market share. We believe this opportunity is huge. Operators with better service, responsiveness and efficiency will grow. We currently have a capacity of around 2.2 lakh TEUs and operate CFSs at JNPT, Mumbai, Chennai and Mundra. At JNPT, we have become the second largest in less than 5 years. We are now investing over USD 70 million in building new logistics infrastructure for India. We are creating a pan India CFS/ICD network with a presence in 10 locations. Our facility in Indore (Pithampur) will become operational in August 2008. We have also set up a 51/49 Joint Venture with CONCOR to build and operate an ICD at Dadri near Noida. Noida is fast emerging as the hub for the north Indian market, especially the NCR. We believe this will be a very good investment in the long run. By the end of 2008, we estimate to have a total capacity of 3,01,000 TEUs.

Niche businesses, high growth

Project Cargo

As opportunities unfold, we are prepared to participate. And grow into businesses. Project cargo handling is a niche business that requires very different skill sets. The market at over Rs. 12,000 million is growing at 20% and as capital expenditure increases in India, this business has strong tailwinds. This is also a high ROI business. Our order book stands at Rs. 1,080 million.

Crane rental and equipment hiring

As infrastructure execution speeds up, there is a distinct demand-supply imbalance and utilizations are high. We believe this business has great potential, not just in India, but in Africa and the Middle East market as well. In 2007, we acquired the equipment division of Transindia to increase our presence in this segment. We currently own a very large fleet of over 400 Trailers/Trucks. We are now aggressively investing over USD 35 million (Rs.1,500 million) to increase both the tonnage and the quality of our cranes and other equipments.

Blackstone investment

In 2008, Blackstone subscribed to a combination of FCCB and warrants valued at over USD 60 million (Rs 2,424 million) in our company and will hold, post conversion a 10.38% stake in the company. In our business, capital accelerates growth and expansion and this investment, we believe, will help us execute and build faster.

Looking ahead

We are very excited about the future. There is opportunity all around. And we are making the most of it through appropriate investments.

We appointed the Monitor Group, a leading management and strategy consultant to evaluate our current lines of business and assess new opportunities in the logistics space. The study has confirmed that our existing lines of business are high opportunity areas and that we are well placed to succeed in each of them. New areas that have been identified as appropriate fit for the company to diversify into are now being studied in detail to develop a business and execution plan.

We are strengthening our existing businesses through investment in expansion. We are diversifying into new areas like warehousing, contract logistics and port related activities. We are looking at inorganic opportunities both in India and internationally. This year will also see the results of efficiency and rationalization of costs and margins should improve. And what is most interesting is that this is just the beginning.

Before I conclude, I want to thank every customer, partner, employee and investor for having believed in us. We assure you of leadership and growth, always.

Logistically yours,

Shashi Kiran Shetty

Chairman & Managing Director

Our Board of Directors

MR. SHASHI KIRAN SHETTY,
Chairman &
Managing Director

MS. ARATHI SHETTY,
Executive Director

MR. ADARSH HEGDE,
Executive Director

MR. UMESH SHETTY
Executive Director
Appointed w.e.f February 1, 2008

MR. KAIWAN KALYANIWALLA,
Non-Eecutive
Independent Director

MR. KEKI ELAVIA,
Non-Executive
Independent Director

MR. SATISH GUPTA,
Non-Executive
Independent Director

MR. RAJIV SAHNEY,
Non-Executive
Independent Director

MR. AKHILESH GUPTA
Non Executive
Independent Director
Appointed w.e.f. March 27, 2008

Senior Management Team

Mr. Shashi Kiran Shetty
Chairman and Managing Director

Ms. Arathi Shetty
Executive Director

Mr. Adarsh Hegde
Executive Director

Mr. Umesh Shetty
Executive Director

Mr. Ashit Desai
Director Corporate Affairs

Mr. Jatin Chokshi
Chief Executive Officer (NVOCC)

Mr. S. Suryanarayanan
Group Chief Financial Officer

Mr. P. P. Shetty
HR Advisor

Mr. Hrushikesh Joshi
Group Chief Information Officer

Mr. Pramod Kokate
Vice President (CFS)

Mr. T. G. Ramalingam
Vice President (Projects)

Mrs. Shantha Matin D'Souza
Vice President (NVOCC)

Mr. Ravi Jakhar
Vice President (Corporate Strategy)

Mr. Rajeevan Nair
General Manager (Legal)

Company Secretary

Mr. Shailesh Dholakia

Bankers

AXIS Bank Limited
HDFC Bank Limited
YES Bank Limited

Statutory Auditors

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

Internal Auditors

M/s Pipalia Singhal & Associates
Chartered Accountants
601 Janki Centre,
29, Shah Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai 400 053.

Solicitors

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

Registrars And Share Transfer Agents

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078.

Registered Office

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

Company Snapshot

Allcargo Global Logistics Limited (AGL), an ISO 9001: 2000 certified company is a premier global logistics service provider. It is not only India's biggest logistics company in the private sector, it is also the country's first multinational in the logistics sector. Further, it is the second largest LCL consolidator in the world.

Services

AGL offers an entire bouquet of logistics solutions that includes:

- Multimodal Transport Operations (LCL Consolidation and FCL Forwarding)
- Container Freight Stations (CFS) and Inland Container Depots (ICD)
- Project Cargo and Over Dimensional Cargo (ODC) Handling
- Airfreight
- Transport Logistics
- Equipment Hiring

AGL is a technology-driven company that seeks to enhance customer satisfaction through process developments and constant innovation and investment. The Company enjoys excellent relationships with major shipping lines and leverages this network effectively in its MTO and CFS businesses.

Reach

With the acquisition of the Belgium-based NVOCC ECU Line, AGL is now the second largest LCL Consolidator in the world and has around 109 own offices in 51 countries and 203 franchisee offices in 130 countries connecting around 5000 locations.

Highlights

- Acquired the Projects and Equipment Division of Transindia Freight Services Private Limited (TFSPL), an end-to-end logistics solutions provider.
- Acquired 100% equity stake in Hindustan Cargo Limited, an airfreight company from Thomas Cook India Limited.
- Commissioned CFSs at the Chennai and Mundra ports.
- Acquired 50 new and old cranes of 100-500 tonnes capacity in January 2008 for the equipment division of AGL.

- Global private equity major Blackstone have subscribed to equity and equity linked securities on preferential basis, equivalent to 10.38% of the fully diluted paid up capital of the Company which upon full conversion and exercise would amount to an investment of Rs.2,424 million
- Container Corporation of India (CONCOR) and AGL formed a joint venture company for developing an ICD in Dadri, Uttar Pradesh.

Mission

"Provide quality enriched logistics solutions by proficiently using innovative methods and advanced technology through a spirit of partnership"

Vision

"To be the global market leader in our segment of logistics"

Awards and achievements

- 'Deal of the Year Award' for the acquisition of ECU Line at the annual Seatrade Middle East and Indian Subcontinent Awards in November, 2007.
- Logistics Award' at the Lloyd's List Middle East and Indian Subcontinent Awards 2007.
- The Company's CMD Mr. S.K. Shetty was one of the finalists for Ernst & Young's prestigious "Entrepreneur of the Year Award 2007".

Financial Performance

Consolidated: During 2007, AGL recorded a total income of Rs. 16,134.63 million, an increase of 80% over the previous (9months) year. The Company's EBIDTA stood at Rs. 1,421.52 million against Rs. 796.44 million in 2006 (9 months), an increase of 78%. The Profit After Tax (PAT) of the Company increased from Rs. 583.65 million in 2006 (9 months) to Rs. 864.01 million in 2007, an increase of 48%.

Standalone: During 2007, AGL recorded a total income of Rs. 3,600.47 million, an increase of 60% over the previous year. The Company's EBIDTA stood at Rs. 780.36 million against Rs. 464.53 million in 2006 (9 months), an increase of 68%. The Profit After Tax (PAT) of the Company increased from Rs. 431.73 million in 2006 (9 months)to Rs. 597.85 million in 2007, an increase of 38%.

The shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).


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Our Business

Think big. Move fast. Acquire. Consolidate. Grow. Grow. Go!

Seldom do economies transform. And when they do, business dynamics transform faster. China went through this. India is going through what we call structural transformation at all levels. Economically. Demographically. Globally.

India is in an economic sweet spot. When you are one of the fastest growing economies in the world with 1.2 billion people, the world takes notice. Add to that, the cost advantage. The world wants more *of* you. They want more *from* you.

The opportunity called India is known. Ten years hence, what will differentiate India's leadership globally will be its ability to deliver on the opportunity. And that's the biggest opportunity. Opportunity to execute the opportunity. To execute massive growth. To deliver. Faster. And better.

Time to think logistically. Time to think big!

That's what Allcargo has done. Demonstrated thought leadership. Done what no other Indian logistics company has done. Not just thought big, but moved fast.

Once we dreamt big, we moved really fast. Rather than just creating and expanding, we acquired. Acquired new businesses. Acquired new geographies. Acquired new talent. Acquired scale. Acquired to seize the opportunity called India.

By 2007, we acquired 3 companies and businesses. And along with these companies, we have acquired talent. And now we are consolidating.

To grow.

Higher. Faster. Swifter. Better.

Next year, expect the benefits to accelerate. Benefits of consolidation. Of expansion into new geographies. Of entering new businesses. And of thought leadership across businesses and geographies. Expect more.

Allcargo Global Logistics - Right country. Right business. Right leadership. Right attitude.

Welcome to a new global Indian leader.

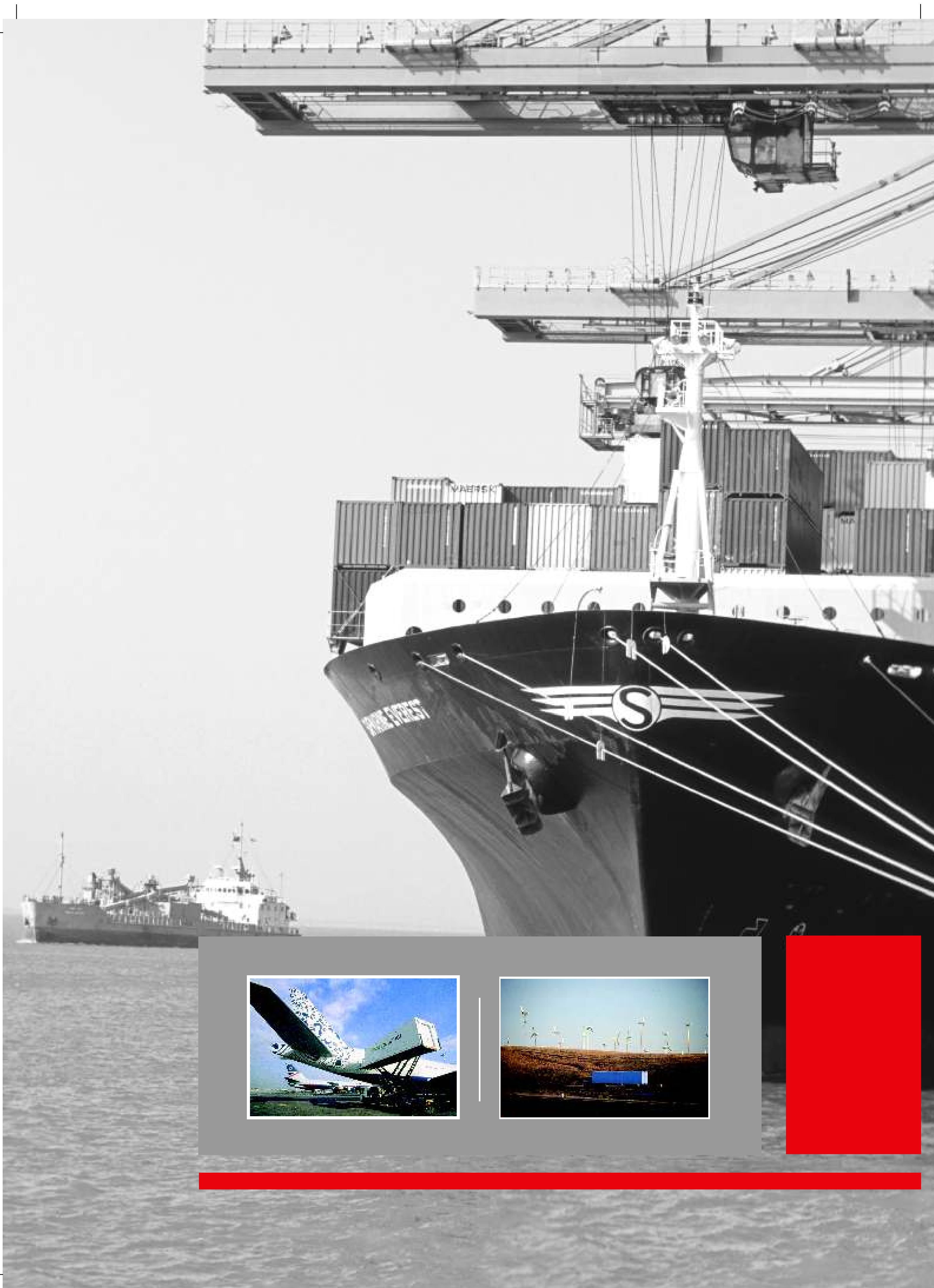
Multimodal Transport Operations (MTO)
One of the largest LCL consolidators in the world.

The world is flat. Consumption is country-centric, production is not. And that's true globalization. Increased competitiveness makes it imperative for companies to buy (from) where it gets the cheapest inputs. More goods are moving today than ever before. And more is the pressure to move them on time, and within costs.

Time for a specialist.

Multimodal Transport Operations (MTO) is the business of moving cargo using multiple modes of transport. Simply put, we buy container space on vessels and in turn sell / offer sea freight services in terms of Less than Container Load (LCL) and Full Container Load (FCL) to our customers for both outbound and inbound traffic, including inland transportation by road or rail when required. We are the second largest in the world in this space and growing.

Accessibility is the key for every cargo movement. We streamline this accessibility with co-ordination of various mechanisms involved in the cargo movement. Cargo movement is complex. From point of origin, the factory premises - handling, loading, inland transportation, storage at the Container Freight Station (CFS), container stuffing, container loading on the vessel, transshipment at certain ports wherein either container is reworked and / or the container is loaded on to another vessel, arrival at the port of destination, container movement to the buffer yard and then to the CFS, handling, de-stuffing, warehousing and inland transportation to the consignee factory premises.



Our competitive advantage is our worldwide network which spans across all the continents and thus offers a global, standardized logistics solution. Every time. In time.

Helping us help our customers is our infrastructure. In India, we have 21 branch offices and abroad, we have a presence in 51 countries, spread over 109 offices.

We own CFSs at Nhava Sheva, Chennai and Mundra. A key link in the overall supply chain, the CFS business offers key infrastructure support to the business of logistics.

We also have our own fleet of trailers for movement of cargo to various hinterland locations like Delhi, Ahmedabad, Bangalore, Hyderabad etc as well as from ports to CFS/Inland Container Depots (ICDs) and vice versa.

We are a pioneer in Multi City Consolidation (MCC) service that clubs cargo from ICDs into the container meant for the gateway port and the other way around.

Further, we are expanding our reach both in India and abroad. Recently, we added Buenos Aires to our long list of offices across the world.

Our ability to deliver fast, every time and seamlessly has helped us scale our business every year since inception. Our customer base of international freight forwarders, local freight forwarders and Custom House Agents has also been expanding on a regular basis.

We are set to grow. Our business is consolidating and we are making it happen. Our customers too are consolidating into larger companies. And prefer global leaders like us.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CFS and ICD
Growth Leadership. And More.

Container Freight Stations (CFSs) play a critical role in the movement of export-import cargo by de-congesting the port. They are an extension of the port, enabling the customs clearance of export and import cargo as well as its warehousing.

It's a logistics infrastructure business. And we are establishing growth leadership in this area. The Allcargo group today has CFSs at JNPT (Mumbai), Chennai and Mundra, covering the ports that account for almost 80% of India's containerized cargo.

CFS is not an easy business as it may seem at first glance. Stringent norms have been developed for the maintenance and upkeep of property. Our CFSs are backed by our own equipment, which are well maintained at state-of-the-art maintenance facilities to ensure round-the-clock, trouble- free services to our customers. Today, such is our performance that the JNPT CFS handles more than 10,000 TEUs per month on a continuous basis and has consolidated its leadership position at JNPT. It handles the second highest import throughput amongst CFSs in Mumbai.

We grew this further. Added Chennai and Mundra CFSs to our JNPT CFS.

Today, we have a total capacity of around 2.2 lakh TEUs and we continue to establish a strong foothold. Spread over 25 acres, our Chennai CFS is amongst those closest to the Chennai Port and is already in an expansion mode. It is set to lead by gaining market share month on month. With the scheduled expansion completing by July 2008, the Chennai CFS will be able to handle over 100,000 TEUs annually.

Our Mundra CFS continues to consolidate its position with the support of shipping lines and exporters. It has received an excellent response from the customers due to the goodwill we enjoy as a leading logistics services provider.

Moving ahead, we are set to lead the CFS opportunity in India. Nagpur, Hyderabad, Pithampur, Bangalore and Goa are our next projects. We have also entered into a Joint Venture (JV) with CONCOR to operate an ICD at Dadri, Greater Noida, Uttar Pradesh.

By the end of 2009, we plan to have many more facilities in operation, making us one of the fastest growing CFS operators in India.

Project Cargo and Equipment Division

The Speciality Specialists.

Projects Division

The Indian economy has gathered steam, growing at around 9% in 2007-08. To keep pace, an estimated USD one trillion infrastructure spend is projected over the next decade. More demand. More supply. More projects. More equipment. Less time.

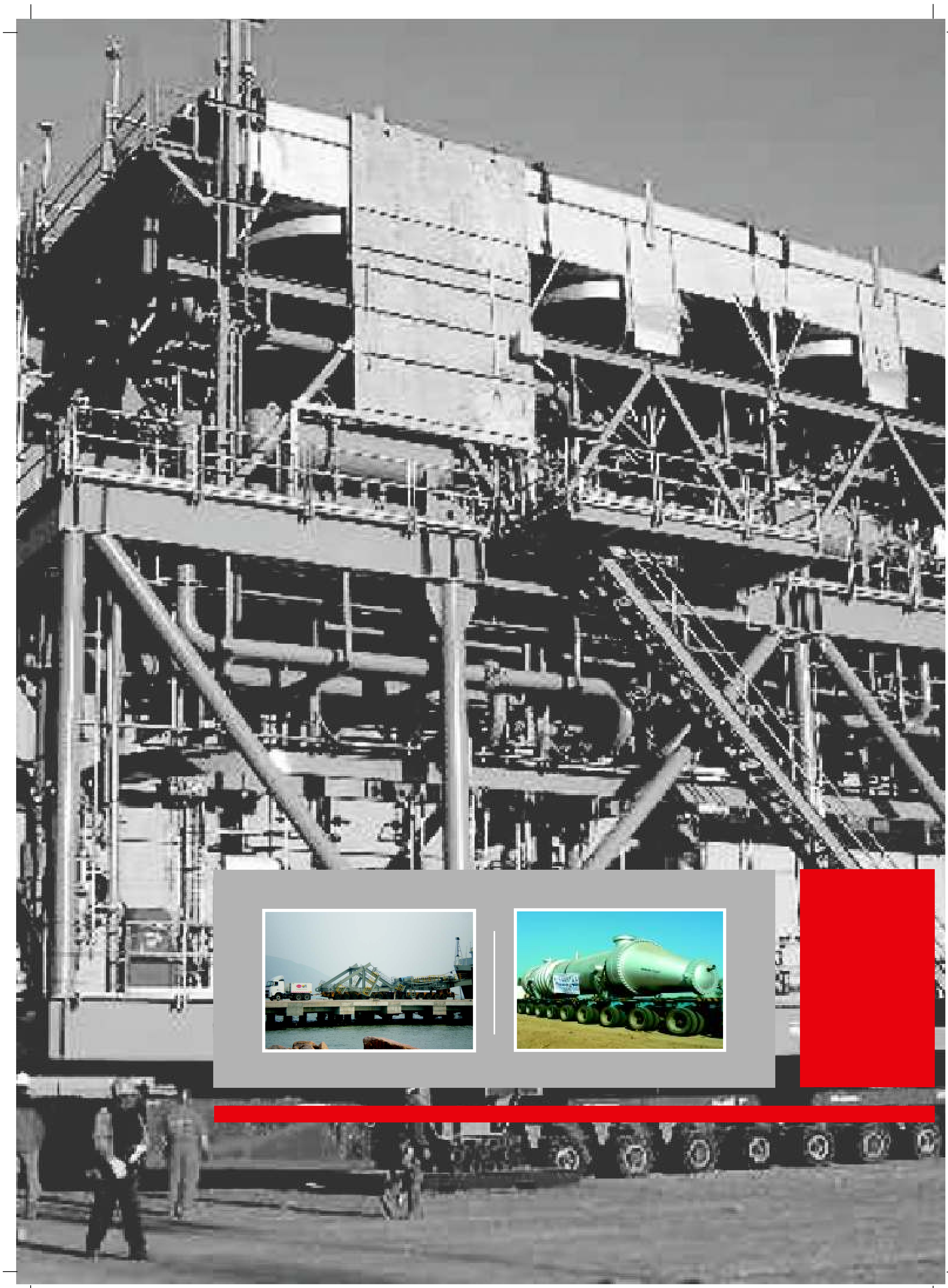
Movement of project cargo is a speciality business. And we are specialists in that. Project cargo handling and transportation requires meticulous planning and technical expertise. We handle mega, small and heavy lift projects. We have expertise in verticals like power, steel, cement, rail and other infrastructure industries. We have the experience of moving a wide range of projects from Fragile Insulators and Sophisticated Electronics to Heavy Steel Projects and a mammoth Compressor Module of 565 tons for the Oil & Gas industry.

Our Project Cargo division has matured over the years. From handling landside projects only for companies in the country, we now offer end-to-end logistics solutions globally. These solutions involve sea freight movements, vessel chartering, customs clearance, documentation and delivery to the site of erection. The division has also been actively involved in third country project cargo movements, an activity that requires a very high level of expertise. The business is growing and our share too. Our current order book is Rs. 1,080 million.

Equipment Division

Logistics support services are fast emerging as a speciality business. As infrastructure investment increases, the need for support services like equipment leasing becomes critical. For every large project, one cannot buy equipment. Equipment leasing is thus, the optimum solution.

Being a large logistics provider to most projects in India, we saw the opportunity. We acquired the projects and equipment division of Transindia Freight Services Pvt. Ltd. (Transindia) to grow this business. Transindia is one of the leading logistics support service providers in the country and has been synonymous with quality service since its inception in 1982.



The services it offers include handling over dimensional project cargo, factory stuffing, terminal handling, equipment leasing etc. The company is a respected logistic solutions provider in the Oil & Gas industry and has been involved in various rig movements and base management. Stringent safety norms and practices are in place, which is one of the most important parameters of its operations. For these initiatives, the company has also been awarded with the OHSAS certification which is one of the most stringent safety certifications in the industry.

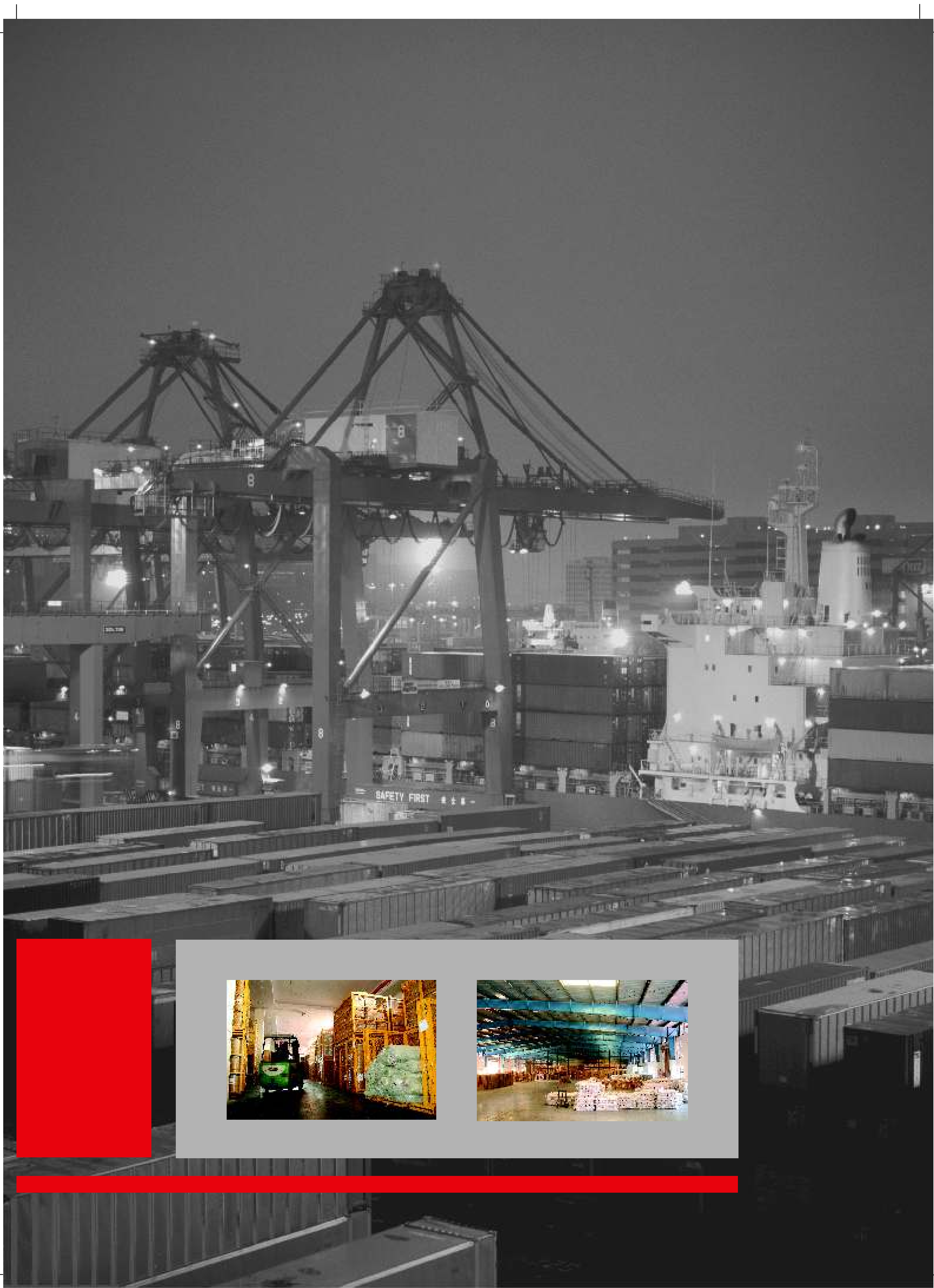
Our product range now encompasses

- Cranes comprising of telescopic, lattice boom, crawler and all terrain types ranging from 40 tons to 750 tons capacity
- Forklifts ranging from 3 tons to 32 tons capacity
- Reach Stackers capable of stacking 5 high containers
- Trailers for 20', 40' and High Bed Trolleys
- Specialized equipment like Semi-Low Bed, Low Bed, 60' & 80' long Multi-Axle trailers and "Goldhoffer" Hydraulic Axle Lines
- Volvo and MAN Pullers (Swedish Make)

This business is growing. And we are fueling its growth as well. We are investing over USD 35 million for the global procurement of heavy cranes (ranging from 400 tons to 800 tons capacity) which cost around USD 5 to 10 million each. Besides, we are fully equipped with advanced technology and infrastructure through our modern Operations and Engineering Centre located at Panvel near Mumbai.

These initiatives will enable the Company to be among the top three players in the crane rental space in the country in the near future.


GENERAL TRANSPORT
BASEL


SAFETY FIRST

New Initiatives

Ideas and investment for new growth.

A Joint Venture (JV) with Container Corporation of India (CONCOR)

Allcargo has entered into a 51:49 JV with CONCOR to create a state-of-the-art ICD at Dadri, Greater Noida in Uttar Pradesh. This facility will be built on an area of 40,000 sq. mt and is estimated to handle a capacity of 84,000 TEUs per annum. It is expected to commence operations in 2009.

This collaboration is a unique marriage of strengths to capture the fast growing CFS opportunity in North India. CONCOR is a premier logistics service provider having extensive wagon infrastructure in the country. Allcargo with its strengths of LCL consolidation, FCL forwarding, CFS operations and its ability to market is expected to attract significant volumes of existing NCR cargo to the new ICD.

Land Bank acquired

The company has acquired land at Nagpur, Hyderabad, Goa, Hosur, Indore and Bangalore. The size of each of these land holdings ranges from 15-65 acres. The company will use this land bank for setting up logistics parks including ICDs, warehousing and related logistics services.

Investment in warehouse infrastructure

Warehouse infrastructure in India is vintage and inadequate and needs massive upgradation. Allcargo plans to set up its own warehouse infrastructure on a pan-India basis. Initially these warehouses have been planned at Goa, Indore, Hosur and Hyderabad. The network would then be expanded to include other locations such as Pune, Mumbai and Nagpur.

Expansion into 3rd Party Logistics (3PL)

With a pan-India network of warehouses, 3PL is the next logical extension. In line with our philosophy to think big and move fast, we will grow this opportunity both organically and inorganically. Besides, we are looking at last-mile connectivity with a presence across major districts of India by creating a distribution network of our own fleet.

The beginning has been made. We believe that these new initiatives with the desired leadership will consolidate our position further and open up new avenues for growth. Faster. Better.

To,
The Members of
Allcargo Global Logistics Limited

Your Directors take pleasure in presenting the fifteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended December 31, 2007.

FINANCIAL HIGHLIGHTS

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

(Rs. in Million)

Particulars	For the Year Ended 31-12-2007	For the Period Ended 31-12-2006
Sales & other Income	**3,645.31**	2,293.40
Profit Before Interest, Depreciation and Taxes	**825.18**	512.03
Interest	**20.95**	11.52
Depreciation	**142.01**	29.31
Profit Before Exceptional Items and Taxation	**662.22**	471.20
Exceptional Items	**(40.82)**	(42.74)
Provision For Tax	**105.21**	83.11
Profit After Tax	**597.83**	430.83
Prior period adjustments for tax and expenses	**0.02**	0.90
Profit brought forward from previous year	**545.44**	264.44
Amount available for Appropriations	**1,143.25**	694.37
Appropriations:		
Interim Dividend	**40.51**	91.15
Proposed Dividend	**67.09**	–
Tax on Dividend	**18.29**	12.78
Transfer to General Reserve	**75.00**	45.00
Profit carried to Balance Sheet	**942.36**	545.44

REVIEW OF OPERATIONS

The performance of the Company includes the performance of Project and Equipment Division acquired from Transindia Freight Services Pvt. Ltd. pursuant to the Scheme of Arrangement w.e.f. January 1, 2007. With focused management approach, efficient project execution, reduction in cost, prudent financial and human resources management, your Company has surpassed its previous operational records and achieved higher growth in terms of revenue, profit and order book position.

Your Company has achieved a turnover of Rs. 3600.47 million and earned a net profit of Rs. 597.84 million as compared to turnover of Rs. 2,245.89 million and net profit of Rs. 430.84 million in preceding financial year, representing 60% growth in revenue and 39% growth in net profit. Earning before interest, tax and depreciation (EBITDA) is Rs. 825.18 million as compared to Rs. 512.03 million in preceding financial year, representing 61% growth.

Segment wise revenue generation and net profit earned, members are requested to refer Management Discussion and Analysis report attached to this report.

SIGNIFICANT INITIATIVES

Joint Venture with Container Corporation of India Limited

Your Company has entered into joint venture with Container Corporation of India Limited (CONCOR) for setting up Container Freight Station (CFS) / Inland Container Depot (ICD) at Dadri, Greater Noida in Uttar Pradesh for catering the container traffic of North India.

The proposed venture would help the companies in achieving significant growth by attracting high volumes of existing NCR LCL Cargo at Dadri CFS / ICD. The said venture is expected to commence operations by third quarter of 2008.

Warehouse Infrastructure

Warehouse infrastructure in India is vintage and inadequate and needs massive upgradation. Your Company plans to set up its own warehouse infrastructure on a pan-India basis. Initially these warehouses have been planned at Goa, Indore, Hosur and Hyderabad and the network would then be expanded to include other locations such as Pune, Mumbai and Nagpur. Your company has acquired land at Nagpur, Hyderabad, Goa, Hosur, Indore and Bangalore, which will be used for setting up logistics parks including ICDs, warehousing and related logistics services.

With a pan-India network of warehouses, 3PL is the next logical extension. In line with our philosophy to think big and move fast, we will grow this opportunity both organically and inorganically. Besides, your Company is also looking at last-mile connectivity with a presence across major districts of India by creating a distribution network of its own fleet.

APPROPRIATIONS

Considering the profitable performance of the Company during the year under review, your Directors are pleased to recommend final dividend @ 30% (Rs. 3 per equity share of Rs.10 each) to the members of the Company. The Dividend, if approved by the members at the ensuing Annual General Meeting, together with interim dividend paid in July 2007, will absorb a sum of Rs.125.89 million including dividend distribution tax.

SUBSIDIARY COMPANIES

With a view to widespread its footprint globally and also as a measure of restructuring the international operations, your Company had transferred its controlling stake held in ECU Hold N. V. in favour of Allcargo Belgium N. V., the wholly owned subsidairy of the Company. As a result, ECU Hold N. V. ceased to be the subsidiary of the Company and became the subsidiary of Allcargo Belgium N. V. Your Company had also transferred its controlling stake in ACM Lines (Pty) Ltd., an associate company, in favour of F. T. International N. V., an indirect subsidiary of the Company.

Further, during the year under review, your Company has incorporated ECU Line (India) Private Limited, ECU Logistics SA, Rotterdam Freight Station BV, ECU Shipping Logistic (K) Ltd. as subsidiary companies and also acquired controlling stake in AMI Ventures, CLD (Uruguay) through its step down subsidiary ECU Hold N. V. With a view to expand the equipment rental and logistic business, the Company has acquired 100% equity stake in Asia Lines Limited, a Dubai based Company. As a result, Asia Lines Limited became the wholly owned subsidiary of the Company.

The stand-alone audited financial statement of all subsidiaries operating in India and Overseas are not attached to this Report in view of exemption received u/s 212 of the Companies Act, 1956 from the Ministry of Corporate Affairs, Government of India vide letter no. 47/241/2008-CL-III dated May 23, 2008 and No. 47/241/2008-CL-III dated June 11, 2008. The statement pursuant to Section 212 of the Companies Act, 1956 relating to the subsidiary companies alongwith financial highlights of subsidiaries operations providing relevant details as prescribed in the aforesaid approvals are attached and forms part of this Annual Report.

As per the Listing Agreement with the Stock Exchanges, consolidated financial statement prepared in accordance with Accounting Standard AS-21, are attached with the financial statements of the Company and forms part of this Annual Report.

SCHEME OF ARRANGEMENT

As the Members are aware that your Company had entered into a Scheme of Arrangement with Transindia Freight Services Pvt. Ltd. for acquisition of the Project and Equipment Business Division, in accordance with provisions of Sections 391 to 394 of the Companies Act, 1956. The said Scheme of Arrangement was approved unanimously by the shareholders and creditors of the Company at their respective meetings held on January 22, 2008 and received an assent from the Hon'ble Bombay High Court on May 2, 2008. The Scheme of Arrangement became effective from May 19, 2008 upon filing of the High Court order with Registrar of Companies, Maharashtra, Mumbai.

In consideration of transfer of the Project and Equipment Division and as envisaged under the Scheme of Arrangement, the Board of Directors of the Company at its Meeting held on June 26, 2008 has issued and allotted 2,103,080 equity shares of Rs.10 each fully paid to the shareholders of Transindia Freight Services Pvt. Ltd. as per the approved share swap ratio.

The financial statements presented before the members also contains the financials of the Project and Equipment Division acquired pursuant to the Scheme of Arrangement.

PREFERENTIAL ISSUE OF SECURITIES

In order to meet the enhanced capital expenditure and working capital requirements and also to provide adequate financial support to the developmental and expansion activities undertaken by the Company, your Company has raised Rs. 2,424 million by issue of equity and equity linked securities to Blackstone Group on preferential basis.

Out of the total subscription money of Rs. 2,424 million, the Company has received Rs. 1,304.28 million by the way of issue and allotment of 1,000 equity shares of Rs.10 each at a premium of Rs. 924 per equity share, 1,081,081 Fully and Compulsorily Convertible Debentures carrying 6% coupon, convertible into equal number of equity shares of Rs.10 each at a premium of Rs. 924 per equity share on completion of 18 months from the date of allotment, and 1,513,514 Warrants convertible at the option of the holder into equal number of equity shares on or before completion of 18 months from the date of allotment at a price ranging between Rs.934 to Rs.1,284 per equity share.

IPO FUND UTILIZATION

Your Company had raised Rs. 1,403.30 million through its maiden public issue in June 2006. Till December 31, 2007, the Company had utilized Rs. 1,390.13 million as per the objects mentioned in the Prospectus and amended vide special resolution passed at the Extra Ordinary General Meeting held on January 5, 2007. The unutilized amount of Rs.13.20 million has been utilized fully by the Company post December 2007 for approved objects.

EMPLOYEES STOCK OPTION PLAN 2006

As stated in the last Annual Report for the period ended December 31, 2006, your Company had implemented 'Allcargo Employee Stock Option Plan 2006' for the benefits of employees of the Company and its subsidiary. In accordance with the provisions of the said ESOP Scheme, the options granted to employees of the Company were partly vested w.e.f. January 12, 2008. The Company has issued and allotted 2,604 equity shares of Rs.10 each against options exercised by the employees of the Company, during March 2008 and May 2008.

Disclosures pursuant to Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, relating to the Company's ESOP Scheme as on December 31, 2007 are annexed to this report.

SHARE CAPITAL AND LISTING OF SHARES

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

Pursuant to issue of further equity shares on preferential basis, under the ESOP Scheme and the Scheme of Arrangement, the total paid up capital of the Company has increased from Rs. 202,558,450 divided into 20,255,845 equity shares of Rs.10 each fully paid up to Rs. 223,625,290 divided into 22,362,529 equity shares of Rs. 10 each fully paid up.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and that of Articles of Association of the Company, Mr. Adarsh Hegde and Mr. Rajiv Sahney, Directors of the Company, retires by rotation at this Annual General Meeting. Being eligible, they offered themselves for re-appointment. The Board recommends their re-appointment.

In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Umesh Shetty and Mr. Akhilesh Gupta were co-opted as Additional Directors of the Company w.e.f. January 22, 2008 and March 27, 2008 respectively. The Company has received notices under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Umesh Shetty and Mr. Akhilesh Gupta, as directors of the Company.

Brief resume of Mr. Adarsh Hegde, Mr. Rajiv Sahney, Mr. Umesh Shetty and Mr. Akhilesh Gupta as required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is included in the Corporate Governance Report annexed to this Annual Report.

AUDITORS

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

PUBLIC DEPOSITS

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

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 December 31, 2007 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 is committed to adhere to the highest standards of Corporate Governance as prescribed by the Securities and Exchange Board of India from time to time. Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms a part of the Annual Report.

A certificate from M/s Mehta & Mehta, Practising Company Secretaries, confirming compliances with the provisions of Corporate Governance as stipulated in Clause 49 is annexed to the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuing a vision towards socio-economic empowerment of underprivileged and marginalized section of Society, your Company support social initiatives with special focus on education and livelihood support.

The Akanksha Foundation is a non-profit organization with a mission to impact the lives of less privileged children, enabling them to maximise their potential and change their lives. Akanksha works primarily in the field of education, addressing non formal education through Akanksha centres and also formal education by initiating school reform. Allcargo has sponsored an Akanksha centre at VT in Mumbai. Also in the 2008 Mumbai marathon, Allcargo employees ran for Akanksha thereby generating funds for them.

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

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Shashi Kiran Shetty
Chairman & Managing Director

Place : Mumbai
Date : June 26, 2008

Conservation of energy:

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

Power and fuel consumption

Particulars	For the Year Ended 31-12-2007	For the Period Ended 31-12-2006
Electricity		
Through purchases		
Purchased units	1,315,276	501,428
Total amount (Rs.)	7,654,557	2,633,057
Rate / Unit (Rs.)	5.82	5.25
Through diesel generator		
Units generated	19,989	155,748
Total amount (Rs.)	224,629	1,856,400
Cost / unit	11.24	11.92

Technology absorption:

Your Company believes in total customer satisfaction through process enhancements and constant innovation in its services. The Company has received an ISO:9001:2000 quality management certification from Det Norske Veritas (DNV) for its overall operations at the corporate office, branches and Container Freight Station at Koproli near JNPT.

Your Company's IT system provides support to the business at all stages viz., sales, planning, operations and documentation, accounts and customer service. It helps us enforce procedures, maintain an error-free workflow process and offer online tracking of shipments. The system at Allcargo provides customers access to detailed Tracking and Tracing of shipments through our website and also through our Interactive Voice Response System (IVRS).

Your Company has developed software named, CFS Management System that automates various activities carried out at the CFS and integrates the processes related to imports, exports and auction.

Foreign Exchange Earnings and Outgo:

Rs. in million

Particulars	For the Year Ended 31-12-2007	For the Period Ended 31-12-2006
Total Foreign Exchange Outgo	225.67	141.29
Total Foreign Exchange Earned	226.93	120.01

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 ESOP-2006 to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company. 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 and to few of the permanent employees of its foreign subsidiaries at varying numbers depending upon their grades.

The following table sets forth the particulars of stock options granted under Allcargo ESOP-2006 as on December 31, 2007:

Particulars	Series I (Pre-Listing)	Series II (Post Listing)
Gross options granted	38,300	13,000
Pricing formula	The stock options granted were priced at Rs.10/- per option being the face value of equity share.	The stock options granted were priced at Rs.10/- per option being the face value of equity share.
Options vested	Nil	Nil
Options exercised	Not Applicable	Not Applicable
The total number of equity shares arising as a result of exercise of options	38,300	13,000
Options lapsed/expired	15,700	Nil
Variation of terms of options	Nil	Nil
Money realized by exercise of options	Nil	Nil
Total number of options in force	22,600	13,000
Employee-wise details of options granted to:		
(i) Senior Managerial Personnel	As per statement attached	As per statement attached
(ii) Any other employee receiving a grant in any one year of option amounting to 5% or more of the options granted during the year.	Nil	Nil
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS 20 'Earning Per Share')	Rs. 26.69	Rs. 21.78
Difference, if any, between the employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost recognized if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company.	The Company has charged a sum of Rs.3,596,537 being the fair value of options granted under ESOP 2006 (Series I) for the year ended December 31, 2007.	The Company has charged a sum of Rs.3,679,031 being the fair value of options granted under ESOP 2006 (Series II) for the year ended December 31, 2006.
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.	Rs. 685.88	Rs. 786.95

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

Name of Senior Managerial Personnel	Number of options granted	Number of equity shares issuable upon exercise of options
Mr. Ashit Desai	500	500
Mr. Jatin Chokshi	500	500
Mr. Narayan Shankar	500	500
Mr. Pramod Kokate	500	500
Mrs. Shantha Martin D'souza	500	500

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

Name of Senior Managerial Personnel	Number of options granted	Number of equity shares issuable upon exercise of options
Mr. Raymond Van Achteren	2,500	2,500
Mr. Mark Stoffelen	2,500	2,500
Mr. Kris De'Witte	2,500	2,500
Mr. Simon Bajada	2,500	2,500
Mr. Franky Van Doren	1,000	1,000
Mr. Raymond Yap	1,000	1,000
Mr. Hendrik Smuts	1,000	1,000

Pursuant to the SEBI guidelines, the excess of the market price of the underlying equity shares as of the date of grant over the exercise price of the option, including upfront payments, if any, is to be recognized and amortized on a straight line basis over the vesting period. Accordingly, the Company has debited a sum of Rs. 7,275,568 to the profit and loss account for the year ended December 31, 2007, as employee compensation cost.

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

1. Economic overview

Many economists believe that despite the global growth slowdown, India will be in a sweet spot in 2008. Estimated to grow at a healthy 8.5% to 8.9% in the current fiscal, India is relatively more immune than most other countries in Asia (exports account for only around 15% of the GDP) and earnings risk is isolated to certain sectors. The country's overall macroeconomic fundamentals are strong, particularly with tangible progress in recent years towards fiscal consolidation and a strong balance of payments position.

India has the largest young population in the world, spurring a boom in consumption in the country. With the rise in per capita income, spending has increased phenomenally on products across all categories. Ergo, companies from all over the world are setting up shop and base in India. Today, the country boasts of companies with world-class capabilities in sectors such as information technology, manufacturing, pharmaceuticals and automobiles.

The importance of infrastructure for India's sustained economic development is also well recognized today. Investment in this sector has gained momentum in the last few years and is experiencing rapid growth across the different sub-sectors. Construction activity has skyrocketed with demand for new offices, homes and malls in urban and semi-urban areas.

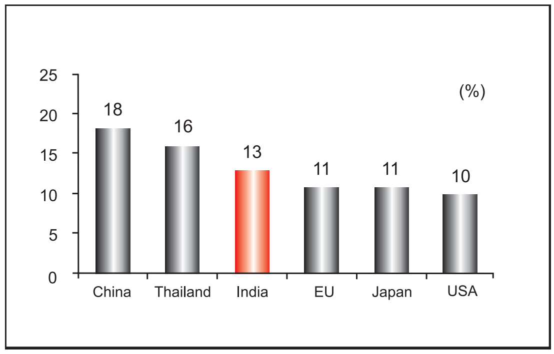
India is all set to play a pivotal role on the world stage.

2. Industry overview

Logistics is the total process of moving goods from one place to another in the most cost-efficient and timely fashion. The term refers to all activities relating to the procurement, transport, transshipment and storage of goods. The logistics industry has evolved due to the rising trend of companies focusing on their core competencies and outsourcing the ancillary activities to experts. Outsourcing the logistics function leads to improved customer service, enhancing flexibility of business operations and reduction in costs and capital expenditure.

Globally, the size of the logistics industry is around USD 2 trillion. Logistics cost account for around 10-11% of the GDP of developed regions like USA, EU and Japan. In these areas, logistics are handled either by 4th Party Logistics (4PL) companies (which are BPOs that provide value and a re-engineered approach to the needs of the customer through the bundling of services like transportation, warehousing and freight forwarding) or by a global trade orchestrator who is a single point contact for a broad supply chain in multiple geographies.

Logistics cost as a proportion (%) of the GDP



Indian logistics industry

The USD 90 billion Indian logistics industry is still evolving, with majority of the work being done through contracts for shipping, trucking, forwarding, brokerage, CFS, ICD, etc being given to different vendors. It is dominated by surface transportation. Export-import cargo which moves mainly by sea and air cargo transportation forms an insignificant proportion of the total logistics market in India. India's logistics cost at 13% of the GDP is higher than that of developed countries due to poor infrastructure and service practices.

The logistics sector in India has witnessed significant growth over the past few years driven by robust manufacturing growth, increase in FDI in manufacturing, mounting domestic consumption, investments in infrastructure and increased outsourcing of operations by companies, primarily from the organized retail, FMCG, electronics and automobile sectors. The Confederation of Indian Industry (CII) is planning to seek industry status for the logistics sector considering its growth potential and the flow of investments, which will benefit the organized players.

Export-Import (EXIM) trade

India's exports grew by 23% to around USD 155 billion in the fiscal year ending March, 2008. Firm oil prices and robust domestic demand boosted imports by 27% to around USD 235 billion in 2007-08. Thus, the logistics sector is getting a major boost from the growth in EXIM cargo. Majority of the EXIM cargo in India moves via our ports.

Port infrastructure

Ports, which are an interface between ocean transport and land-based transport, handle over 90% of foreign trade in terms of volume and 70% by value. There are 12 major ports handling around 75% of total port traffic and 187 minor/intermediate ports along the 7517 km long coast line of the country. In FY07, major ports handled approximately 464 million tonnes and minor ports handled around 165 million tonnes recording a CAGR of 10% and 11% respectively over FY02-07.

The Indian Government too has come up with a number of initiatives in the recent years which have given a boost to the development of maritime transport. Some of these are:

- A comprehensive Model Concession Agreement (MCA) has been developed, for building and operating port terminals on a (Build-Operate-Transfer) BOT basis. The MCA addresses important issues concerning allocation of risk and rewards, user protection, transparent and fair procedures, and financial support from the government.
- No approval is required for foreign equity up to 51% in projects providing supporting services to water transport.
- No approval is required for foreign equity up to 100% in construction of major ports and harbours.
- An investment of Rs. 558 billion has also been earmarked for the National Maritime Development Programme (NMDP) port projects in order to handle additional projected traffic of 615 million tonnes by 2012. It is also believed that four new container terminals are expected to come up in the next five to six years with total capacity of ~7 million teus (twenty foot equivalent units).

Major sub segments of the logistics sector

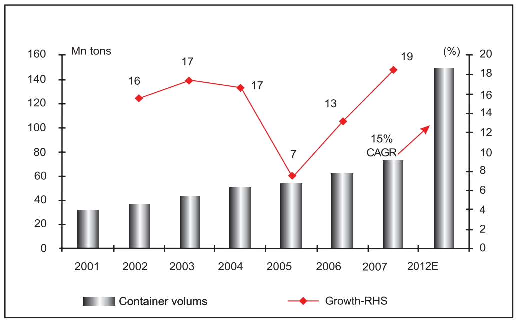
a) Container logistics

India's strong trade growth, favourable investment environment and being a key outsourcing destination for MNCs, especially in the segments of auto components, garments, etc are driving demand for container traffic in India.

Container traffic has witnessed a CAGR of 13.5 % over the last five years to reach volumes of 5.4 million teus in 2007. Share of containerized cargo at major ports has gone up from 8% in 1996 to 16% in 2007. Container traffic has grown at a CAGR of 15% as compared to 9% of total traffic at major ports over FY01-07. Currently, Jawaharlal Nehru Port Trust (JNPT), near Mumbai handles around 61% of the total container traffic at ports. However, with changing infrastructure at other ports and with many MNCs setting up shop near these ports, dependence on JNPT will reduce.

Growth in containerized traffic

Rail haulage of containers is an attractive segment with favourable growth prospects given the expected CAGR of around 15% over 5 years. Till recently,



CONCOR was the sole provider of container rail haulage service in India. 14 new entrants have been given the license to provide rail-borne container transportation using owned wagons. It is a highly profitable business as rail haulage has a cost advantage over roadways for movement of heavy cargo over long distances. From the current Rs. 21 billion, it has the potential to become a Rs. 60 billion opportunity by 2012.

b) Multimodal Transport Operator (MTO)

An MTO offers an end-to-end freight service for export/import cargo, utilizing multiple modes of transport. The two cargo sub divisions are: Full Container Load (FCL) i.e., cargo enough to fill a full container and Less than Container Load (LCL) i.e., consolidation of numerous small shipments to fill a container. An MTO reduces the time and cost of an exporter/importer who requires multiple modes of transport and is a single point of contact for the client. Non-Vessel Operating Common Carriers (NVOCC) are sea freight forwarders that do not own vessels and consolidate freight for transportation in containers. The global LCL market is estimated to be approximately Rs. 400 billion, expected to grow at 7-8% p.a over the next 5 years. Growth is likely to be driven by trade between and among developing countries (like China, India, and Brazil) and developed countries/markets (like U.S.A and the E.U.)

The Indian MTO market, fragmented and largely dominated by unorganized players, is valued at around Rs. 20 billion, with an expected growth rate of around 8% per annum. MTO is a low capital intensive business with margins dependent on the mix of cargo. LCL is a higher margin business compared to the FCL business due to value addition from consolidation.

Increase in containerization has resulted in demand for MTO services due to a number of advantages like reduction in overall transport cost, reduction in delays, less documentation, smoother and quicker movement and improvement in quality of services.

c) Container Freight Station (CFS) / Inland Container Depot (ICD)

A CFS/ICD is a customs bonded in-transit facility, equipped with container yard space, warehousing space, adequate handling equipment and IT infrastructure. It offers services for handling and temporary storage of import and export containers. The difference between a CFS and ICD is that a CFS is located at gateway ports while an ICD is located in the hinterland.

Growth in containerization over the years has given rise to the need for ancillary services such as CFSs and ICDs so that activities like stuffing, clearances, storage, etc can take place here and increased traffic can be easily handled at ports. The CFS/ICD business has healthy margins. Its growth potential is directly linked to EXIM traffic growth.

Land, land development, warehouse construction and handling equipment are the major costs. CFS and ICD players generate revenue from container handling charges, transport charge (from port to and from ICD/CFS), ground rent (only for import consignments) for the number of days the container remains in the yard, warehousing storage charges on consignment basis, auction and other service charges. Most companies' ground rent revenue ranges from 25% to 50% of total CFS revenue.

Freight forwarders and MTOs are the key customers for the export business, while shipping lines are the main customers for the imports business. Performance in this segment is essentially determined by a balanced relationship between volume throughput and dwell time. A reduction in dwell time results in a fall in the average revenue earned per container and hence has a negative impact on the operating margins. However, reduction in dwell time also results in spare capacity and increased throughput leading to an overall increase in the gross income.

The size of the CFS industry is approximately Rs. 20,000 million and is expected to grow at around 20% over the next 3-5 years driven by growth in EXIM trade and higher proportion of containerized cargo. The ICD market is likely to grow by 15-20% to Rs. 12,000-16,000 million by 2011. The recent initiative of the Ministry of Railways to allow private operators to run container trains and increasing base volumes would further increase the consolidation activity in secondary and tertiary hinterland of ports.

3. Business overview

Profile

Allcargo Global Logistics Limited (AGL), an ISO 9001:2000 (DNV certified) company, is one of India's leading logistics service providers in the private sector, involved in Multimodal Transport Operations (MTO), owning and operating Container Freight Stations (CFSs) and handling project cargo, apart from providing airfreight and road transportation logistics.

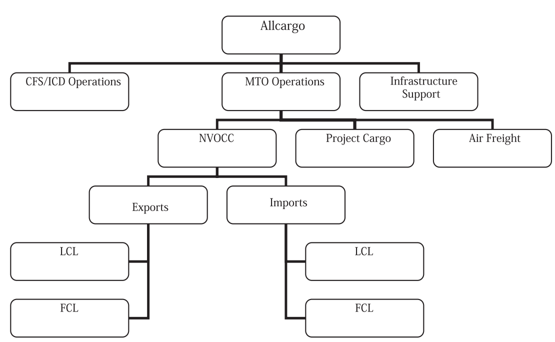
It is India's first multinational company in the logistics sector and the largest LCL Consolidator and MTO in India.

With the acquisition of the Belgium-based NVOCC ECU Line, the world's second largest LCL consolidator, AGL (which is now the second largest LCL consolidator in the world) has around 109 own offices in 51 countries and 203 agents and franchisees across 130 countries.

AGL is a technology-driven company seeking customer satisfaction through process enhancements and constant innovation and investment. It provides its clients with a sophisticated web-based tracing and tracking of their cargo.

AGL is amongst the leading consolidators in the industry with excellent relationships with freight forwarders and major shipping lines. It has leveraged this network to enter into the CFS business and provides value-added services to its clients. It is now expanding by creating a pan-India network of ICDs. This is a positive for the company as the CFS business yields higher margins compared to the MTO business. Going forward, financial restructuring of ECU Line and consolidated freight buying for both AGL and ECU Line are also expected to improve margins.

Services



Key

CFS	: Container Freight Station
ICD	: Inland Container Depot
MTO	: Multimodal Transport Operations

NVOCC : Non Vessel Operating Common Carrier

LCL : Less than Container Load

FCL : Full Container Load

AGL's full bouquet of services include export and import cargo consolidation, LCL and FCL forwarding, CFS operations, container transport logistics, air freight, equipment leasing, project and Over Dimensional Cargo (ODC) logistics and multimodal transportation.

Major Business Divisions

A) Multimodal Transport Operations (MTO)

As the leading MTO in the country with around 10% market share, AGL offers LCL consolidation, FCL forwarding and Multi-City Consolidation (MCC) services for export and import cargo. It has established its presence in air freight through its acquisition of Hindustan Cargo Limited (HCL). The Company also has expertise in handling hazardous cargo. Its primary customers are Custom House Agents (CHA) and Freight Forwarders (FF). AGL's world-wide network was further strengthened with the acquisition of Ecu Line in 2006. AGL's network of 109 own offices in 51 countries and agents and franchisees at 203 locations in 130 countries give the company a distinct advantage over its peers.

Credited with pioneering LCL cargo and MCC services in India, AGL, with its expertise in the business, is capable of handling the entire process chain right from collecting the cargo from the shipper's doorstep, aggregating the LCL cargo, transporting it under bond, re-working at cargo hubs and arranging carriage to final destinations. For importers, the Company caters to the delivery needs of its clients at various CFS/ICD locations through multi-city consolidation.

AGL has acquired an airfreight company Hindustan Cargo Limited (HCL) from Thomas Cook India Limited. HCL is IATA accredited and is also a Break Bulk Agent. Established in 1994, it is spread across 9 operational locations in India covering metros and Class A cities and has 120 agents world-wide. With this acquisition, AGL has strengthened its presence in the air freight segment and it intends to achieve economies of scale in air as well as sea freight due to multiple offices of both companies at various locations.

ECU Line (ECU)

With the acquisition of ECU Line in 2006, AGL became the second largest LCL Consolidator in the world. ECU contributes about 77% to the consolidated revenues. It has shown phenomenal growth in its operational margins since its takeover by AGL.

The quality and spread of international coverage that has come with the acquisition of ECU Line has enhanced the service capabilities of AGL. It is an attractive global opportunity where AGL is well positioned to lead the segment in the future. Global consolidation among port operators, shipping liners and freight forwarders is leading to an increased preference for dealing with major international players, which bodes well for AGL. Around 92% of the Company's revenue comes from this segment.

Going forward, growth in the MTO business will be driven by ECU's global expansion

- AGL has appointed the leading BPO firm WNS for outsourcing ECU's back end processes, which would besides standardizing internal processes, result in efficiency, cost savings and enhance margins of the company over the medium term.
- In the past year, ECU has also initiated a unique customer contact program called E2C (ECU to Customer), which enables customers to keep track of their shipments, re-print Bill of Ladings and/or Invoices, refer tariffs and print copies of quotations.

Project Cargo

The company is also engaged in the handling of project cargo for over dimensional, over weight cargo. This is a specialized activity involving transportation of high-value, specialized equipment like those for oil fields, power plants, compressor stations, etc and other over dimensional cargo that cannot be containerized, on a turnkey basis. The work involves packaging and transportation of cargo from factory to project site through multiple modes of transport (road, sea, rail etc.) and also includes customs clearance, project registration, route survey, etc. The project cargo market is estimated to be around Rs.12,000 million, expected to grow at 20 % over the next five years. AGL has successfully executed multiple projects for very large clients and is currently handling 11 large project cargo contracts. The division has also forayed into specialized equipment like special cranes, trailers and hydraulic axles to boost revenues.

B) Container Freight Station (CFS)/Inland Container Depot (ICD)

CFS / ICD is an attractive business and AGL is well-positioned to lead this segment. AGL offers integrated logistics and port related support services through its own CFSs located at JNPT-Mumbai, Chennai and Mundra. No other MTO has its own CFS. The Company began its CFS operations in 2003 at JNPT and commenced operation of CFSs at Chennai and Mundra ports in May 2007. The CFSs together have an annual capacity of ~2.2 lakh teus. AGL's market share at JNPT, Chennai and Mundra was 8%, 4.5% and 3.2% respectively. AGL is now exploring other cargo centres for developing ICDs and CFSs on a pan-India basis. Around 6% of the Company's revenue comes from this segment.

Chennai is currently undergoing Phase II expansion to increase capacity. AGL is also in the process of building rail-based logistics parks across the country at major industrial locations such as Bangalore, Ahmedabad, Nagpur, Mumbai, Kolkata and Delhi. All of them will be spread over 30-100 acres of land. Road-bridged CFSs will be developed at Pithampur and Hyderabad. The Company is also planning to set up CFS/ICD facilities at Hyderabad and Dadri (U.P.). Work at the Hyderabad and Pithampur has begun. AGL is in the process of acquiring space for CFSs in Pune, Mumbai and Gujarat. The Company also plans to develop a warehousing facility in Goa to cater to the demand from that region.

In February 2008, AGL and Container Corporation of India Ltd (CONCOR) formed a Joint Venture Company (JVC) for the establishment of an ICD at Dadri, Greater Noida in Uttar Pradesh. This facility would be built at the CONCOR ICD and would cater to container traffic of North India and is likely to attract significant volumes of existing NCR cargo. The state-of-the-art facility would be developed on an area of 40,000 square metres and would have the capacity to handle 84,000 teus per annum. This facility is expected to commence operations by January 2009.

C) Equipment Hiring

With the acquisition of the Project and Equipment Business from Transindia Freight Services Pvt. Ltd. pursuant to the Scheme of Arrangement, the Company owns and operates a wide spectrum of equipment providing support services to the logistics and infrastructure space. The crane equipments are ranging from 25 tones to 750 tons capacity that are used in industrial manufacturing and infrastructure sectors such as power, oil and gas refineries, wind energy, steel, cement etc. The Company runs multiple crane types like all terrain cranes, crawler cranes, telescopic cranes and lattice boom cranes.

With the country's infrastructure sector projected to grow at approximately 10-12% by 2012, AGL is all set to cater to the needs of the project cargo and crane rental sectors. Cumulative crane rental demand is estimated between Rs.29,000-41,000 million over the next 4-5 years. Crane rental is a high margin business, which will add to the Company's profitability. The Company has a vision of being amongst the top three crane rental companies in Asia. As a step in this direction, AGL acquired 50 new and old cranes of 100-500 tones capacity in January 2008 to lease out for Engineering Procurement and Construction (EPC) contracts. It plans to further invest around Rs.1,000 million to acquire different capacity cranes used in construction activities.

4. Opportunities

Analysts are confident that the Indian logistics sector will experience significant growth in the coming years. Sustained growth in the Indian economy with GDP growth expected to be around 8-10% over the next few years as well as its emergence as a global outsourcing hub will facilitate trade. Infrastructure de-bottlenecking in the country is also expected to unleash potential. The Government has planned an outlay of USD 71 billion on airports, roads, ports and railways.

It is estimated that the USD 90 billion Indian logistics industry will continue to grow at a phenomenal rate on the back of growth in EXIM cargo, rising investments in the manufacturing space and increasing outsourcing of the logistics function. As corporates realize the cost saving benefits provided by integrated logistics service providers, the demand for logistics will pick up further. In an era where companies are sourcing raw materials from one end of the world, processing it and distributing it to various parts of the world, the opportunity for logistic service providers is enormous. It is believed that the organized logistics market is expected to witness 20-25% CAGR till 2012.

Other factors likely to spur the logistics sector include the phasing out of the Central Sales Tax by April 2010. In 2007, the total capacity at ports was 8.4 million teus. It is expected to grow at a CAGR of around 20% to become around 21 million teus by 2012. The total traffic at ports in 2007 was 6.2 million teus. This is expected to grow at a CAGR of approximately 17% to become around 13 million teus in 2012.

As per the NMDP, the share of containerization is expected to go up to 23% by 2012. Increase in container traffic has encouraged ports to go for privatization of existing terminals as well as awarding new terminals to private players on a BOT basis in order to make the terminals more efficient. The de-bottlenecking at existing terminals as well as addition of new container terminals will boost container traffic. Container traffic is expected to witness 15-18% CAGR over the next four to five years. With large investments in infrastructure lined up, the logistics segment pertaining to project cargo too looks very attractive. Infrastructure-led growth, especially in sectors such as oil & gas and power is expected to increase the demand for such specialized transport solutions.

All this bodes well for AGL. Our expertise and strong execution capabilities will allow us to exploit this huge opportunity.

5. Outlook

AGL is well positioned to capitalize on the huge opportunity in the logistics industry. With the acquisition of Ecu Line, AGL scaled up its operations significantly and became the global player. Given the improvement in ECU margins, current expansion plans for its CFS and ICD businesses and strong EXIM growth of around 8 to 10% over the next 4-5 years, the Company's prospects look strong and show great potential. AGL is well on its way to achieve its future goals.

Multimodal transport and cargo consolidation are our strengths. AGL's MTO volumes are expected to grow by 8-10% over the next two years backed by strong growth in EXIM and containerized traffic. Going forward, AGL's strategy is to focus more on higher-realization routes as well as to increase penetration in USA and China. We are also present in the asset heavy business of CFS/ICD. The opening up of the rail business has created huge opportunities in EXIM as well as domestic trade in this segment.

We have opportunities to expand in India and abroad in our current lines of business and in the new verticals. We aim for well balanced growth and investment in all segments of our business. In response to the changing trade dynamics and the consumption pattern in the country, the company has planned to turn challenges into opportunities by putting greater emphasis on domestic cargo movements. Higher capacity utilization, value-addition and foray into niche areas such as the equipment hiring business or car containers would cushion margin pressure and provide additional revenue streams.

Positives are also stored in the unutilized land at the various ICD and CFS locations of around 200 acres and the company's plan to commercially exploit them by setting up logistics infrastructure such as silos, warehouses, distribution centres and cold stores. Investment worth around Rs. 2,000 million has been planned in these verticals. Another Rs. 900 million would go into the equipment and container trailer segments.

The Company apppointed the Monitor Group, a leading management and strategy consultant to evalute its lines of business and assess new opportunities in the logistics space. The study has confirmed that the existing lines of business of AGL are high opportunity areas and the Company is well placed to succeed in each of them. New areas that have been identified as appropriate fit for the company to diversify into are now being studied in detail to develop a business and execution plan.

This year will also mark AGL's entry into the West Asian market, where it will set up logistics operations in the Middle East. AGL is actively considering setting up warehousing and distribution centres in West Asian hubs.

Considering the above, the future of the Company looks very promising. We expect year 2008 to be an inflection point for the business, preparing us for higher growth then on.

6. Risks and Concerns

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

Economic Risk

Our business is substantially affected by the prevailing global economic conditions.

Factors that may adversely affect the global economy and in turn our business include slowdown in the rate of infrastructure development, inflation, changes in tax, trade, fiscal and monetary policies, scarcity of credit etc.

However, given the estimate of at least 8% growth in the Indian economy till 2010, planned investment in the infrastructure sector in the Eleventh Five Year Plan (2007-2012) to the tune of approximately Rs. 2 million crore, rising per capita disposable income, burgeoning consumer spending, growth in EXIM traffic and increasing outsourcing of the logistics function by companies, we do not expect to be significantly affected by this risk.

Competition Risk

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

Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies.

However, AGL has established strong brand goodwill in the market and a strong foothold in the entire logistics value spectrum. We are the second largest LCL Consolidator in the world, with around 109 own offices across 51 countries and 203 agents and franchisees in 130 countries. Our wide geographical presence and network across the globe helps us generate higher volumes.

We are the leading MTO in the country with a 10% market share. We are working on a blueprint to consolidate our position as the market leader and enter newer segments and offer our customers "a one-stop-shop" in the logistics arena. We have built a strong relationship with most of the leading carriers/liners and as a result are able to obtain favourable commercial terms and operational advantages. We also counter this risk with the quality of our infrastructure, service levels and relationships with our customers. Thus, we do not expect to be significantly affected by this risk.

Trade Risk

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

India's exports grew by 23% to around USD 155 billion in the fiscal year ending March 2008. The imports grew by 27% to around USD 235 billion in 2007-08. Given the projected growth in the Indian economy, rising spending in the infrastructure and manufacturing space and increasing per capita and disposable income, it is estimated that imports will continue to rise steadily. The Company is also aggressively expanding its CFS/ICD business, a high margin segment which is essentially dependent on imports. With its foray into niche areas like equipment hiring, crane rental, project cargo etc. , the Company is further reducing its dependence on exports. Thus, we believe we have adequate mitigation in place for trade risk.

Regulatory Risk

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

We require certain approvals, licenses, registrations and permissions for operating our MTO and CFS/ICD business. We may encounter delays in obtaining these requisite approvals, or may not be able to obtain such approvals at all, which may have an adverse effect on our revenues.

However, the Government has come up with a number of initiatives to boost the logistics sector and has planned massive investments in the infrastructure sector. As all industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining such permissions, we do not expect this risk to affect us materially in the coming years.

Liability Risk

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

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

Execution Risk

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

Our implementation schedules are in line with the plans. Emergency and contingency plans are in place to prevent or minimize business interruptions. Therefore, we do not expect this risk to affect us materially in the future.

Concerns like soaring land prices, a complex tax structure, infrastructure bottle-necks, retaining talent and unprecedented natural and man-made disasters and political/social turmoil which may affect our business, remain. However, these are threats faced by the entire industry. With superior methodologies and improved processes and systems, the Company is well positioned to lead a high growth path.

7. Internal control systems and adequacy

The Company's well defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices.

The internal control system is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

Use of IT and validation of security in this regard is given proper attention by the management. The Company also has an ERP system in place which provides support at all stages of the business.

8. Discussion on financial performance

Standalone Financial Performance:

MTO Operations:

The Company has earned revenue of Rs.2424.74 million from MTO operation as compared to Rs.1627.26 million during preceding financial period of 9 months, an increase of 49%. The operating profit from MTO division was Rs.228.58 million as compared to Rs.91.10 million during preceding financial period, an increase of 150%. MTO operation has contributed around 67% to the total revenue of the Company.

CFS / ICD Operations:

The Company has earned revenue of Rs.934.13 million from CFS/ICD operation as compared to Rs.618.64 million during preceding financial period of 9 months, an increase of 51%. The operating profit from CFS / ICD operation was Rs.444.19 million as compared to Rs.349.87 million during preceding financial period, an increase of 27%. CFS / ICD operation has contributed around 26% to the total revenue of the Company.

Equipment Hiring operation:

The Company has earned revenue of Rs. 241.60 million from Equipment Hiring operation, which was acquired from Transindia Freight Services Pvt.Ltd. pursuant to the Scheme of Arrangement during the year under review and earned an operating profit of Rs.105.22 million. Equipment and Hiring operation has contributed around 7% to the total revenue of the Company.

Revenue: The Company recorded total income of Rs.3,600.47 million, as compared to Rs.2,245.89 million for the previous year, a growth of 60%.

EBIDTA: The Company's EBIDTA stood at Rs.780.36 million against Rs.464.53 million in 2006, an increase of 68%.

PAT: The Profit After Tax (PAT) of the company increased from Rs.431.73 million in 2006 to Rs.597.85 million this year, an increase of 38%.

Consolidated:

Income: The Company recorded total income of Rs.16,134.63 million, as compared to Rs.8,952.23 million for the previous year, a growth of 80%.

EBIDTA: The Company's EBIDTA stood at Rs.1421.52 million against Rs.796.44 million in 2006, an increase of 78%.

PAT: The Profit After Tax (PAT) of the company increased from Rs.583.65 million in 2006 to Rs.864.01 million this year, an increase of 48%.

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

9. Material developments in human resources

One of the key pillars of the Company's success has been its people. We have always recognised the importance of human capital and valued it highly. Our human resource vision is to create a committed workforce through people enabling processes and knowledge sharing practices based upon our value system. AGL employs 635 people in India and 1638 people internationally.

AGL has a robust recruitment policy to attract and retain the best talent. The has also adopted an ESOP plan for this purpose. In the year under review, the Company initiated an online recruitment process. Upon recruitment, employees are mentored for the first three months to enable them to adapt easily to our corporate culture.

The Company has in place individual performance management and career planning systems to encourage merit and enhance innovative thinking among its employees. We had initiated an employee engagement survey in FY08 to understand the views and the level of commitment of our people and have commenced course correction, wherever required. We also conduct a number of welfare activities throughout the year to boost employee morale, including picnics, cricket tournaments and celebrating occassions like Women's Day.

AGL recognizes the importance of providing training and development opportunities to its people. Training workshops are conducted periodically to build up technical as well as soft skills including those on Motivation, Time Management, Creativity, Communication, Presentations Skills, Sales training, Customer Care Management, etc. A recently conducted sales training programme for ECU Line's staff in the Belgian highlands of Spa was a big success. We have also intiated the redrafiting of our human resources policy through an external expert to create a global HR structure and make our organisation one of the best places to work in.

10. Cautionary statement

Statements in this report, particularly those which relate to the Management Discussion and Analysis, describing the Company objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might defer materially from those either expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, cyclical demand, changes in Government regulations, tax regimes, economic developments within India and at a global level, etc.

Report on Corporate Governance

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The 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.

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

The Company is in compliance with the requirements of the corporate governance guidelines stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

2. BOARD OF DIRECTORS

The Composition of the Board of Directors of the Company is governed by the Companies Act, 1956 and the listing requirements of the Stock Exchanges in India. The Board had an optimum combination of Executive and Non-Executive Directors. The Chairman of the Board is an Executive Director and more than half of the Board comprises of Independent Directors.The Board consists of eminent persons with considerable professional expertise and experience in finance, legal, commercial, business adminstration and other related fields. The day-to-day management of the Company is entrusted with the senior management personnel of the Company and is headed by the Managing Director who functions under the overall supervision, direction and control of the Board of Directors. The Board reviews and approves the strategy and oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholders' value are achieved.

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

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

The composition of the Board of Directors as on date of the report is as follows:

Name of the Director	Category	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	1	–	–
Mrs. Arathi Shetty	Promoter, Executive Director	1	–	–
Mr. Adarsh Hegde	Promoter, Executive Director	–	–	–
Mr. Kaiwan Kalyaniwalla	Non-Executive Independent Director	1	–	–
Mr. Keki Elavia	Non-Executive Independent Director	8	3	6
Mr. Satish Gupta	Non-Executive Independent Director	–	–	–
Mr. Rajiv Sahney	Non-Executive Independent Director	1	–	–
Mr. Umesh Shetty #	Promoter, Executive Director	–	–	–
Mr. Akhilesh Gupta $	Non-Executive Independent Director nominated by Blackstone	3	–	–

\# Appointed as Additional Director w.e.f. January 22, 2008

$ Appointed as Additional Director w.e.f. March 27, 2008

While considering the total number of Directorships, Directorships in private companies, Section 25 companies and foreign companies have been excluded.

Board Meetings and attendance

The Board of Directors meets at least once in a quarter and the maximum time gap between the two meetings is not more than four months. The Managing Director is responsible for corporate strategy, planning, external contracts and Board matters. The senior management personnel heading respective divisions are responsible for day-to-day operations. Dates for the Board meetings are decided well in advance and communicated to the Directors. Board meetings are generally held at the Registered Office of the Company. The agenda of the meetings along with the explanatory notes and relevant papers are sent in advance to the Directors to enable them to take informed decisions. Chief Executive Officer 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. Informations as prescribed under Annexure IA to Clause 49 are being made available to the Board from time to time. Additional meetings of the Board are held as and when deemed necessary by the Board.

During the year ended December 31, 2007, the Board met 8 times on January 29, 2007, March 16, 2007, April 24, 2007, July 25, 2007, August 27, 2007, October 12, 2007, October 30, 2007 and November 26, 2007.

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

Name of the Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on June 29, 2007
Mr. Shashi Kiran Shetty	8	Yes
Mrs. Arathi Shetty	7	Yes
Mr. Adarsh Hegde	7	Yes
Mr. Kaiwan Kalyaniwalla	8	Yes
Mr. Keki Elavia	8	Yes
Mr. Satish Gupta	4	No
Mr. Rajiv Sahney	3	Yes

Code of Conduct

The Company has laid down and adopted a Code of Conduct for its Directors and Senior Management Personnel, which is also available on the Company's website: www.allcargoglobal.com. 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.

Profile of Directors seeking appointment / re-appointment

Mr. Rajiv Sahney

Mr. Rajiv Sahney, aged 45 years, is the Managing Partner of New Vernon Advisory Services and is also the Chairman of the Medusind Board and is responsible for business development and client service at Medusind. Prior to this, Mr. Sahney was the Managing Director of Antfactory (India), which invested in various companies engaged in outsourcing business. Before that he was the CEO of the Sahney Group of Companies, which manufactures critical electrical components for large OEMs, and which is also involved in real estate and investing businesses. Mr. Sahney started his career as a consultant with Bain & Company, after completing his MBA from IMEDE, Switzerland and BS (Physics) from California Institute of Technology, USA.

Mr. Rajiv Sahney was appointed as Director of the Company w.e.f. September 29, 2006, liable to retire by rotation. In accordance with the provisions of the Companies Act, 1956 and that of Articles of Association of the Company, Mr. Sahney retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. His re-appointment as Director of the Company has been recommended to the members for approval by the Board of Directors at Item No. 03 of the Notice convening the 15th Annual General Meeting of the Company.

Besides being a director of the Company, Mr. Sahney is also on the board of M/s. Sahney Kirkwood Pvt. Ltd., Rave Technologies (I) Pvt. Ltd., Sahney Commutators Pvt. Ltd., Isovolta (I) Pvt. Ltd., Kanwaldeep Investments Co. Pvt. Ltd., Medusind Solutions India Pvt. Ltd., NV Advisory Services Pvt. Ltd., Varroc Engineering Pvt. Ltd. and B. Seenaiah Co. (Projects) Ltd. Mr. Sahney does not hold any equity shares of the Company.

Mr. Adarsh Hegde

Mr. Adarsh Hegde, aged 43 years, holds a Mechanical Engineering degree. Post graduation, he started his carrier as Assistant Maintenance Engineer with Eastern Ceramics Pvt. Ltd., Mumbai and served the organization for a period of 2.5 years. Mr. Hegde joined the group in the year 1987-88 and during his long association with the Company has won many admirers both within and outside the organization. His business acumen, clarity in thinking, methodical working and modern management expertise makes him an ideal business leader. He played a key role in designing and implementing various systems and procedures, which resulted in exponential growth opportunities for Container Freight Station business in India. During his tenure he successfully established Container Freight Station facilities at Chennai and Mundra and is in the process of setting up Container Freight Station facilities at other locations in India like Pithampur, Nagpur and Hyderabad.

Mr. Hegde was appointed as an Executive Director of the Company w.e.f. August 21, 2006 for a period of 5 years, liable to retire by rotation. In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Hegde retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. His re-appointment as Director of the Company has been recommended to the members for approval by the Board of Directors at Item No.04 of the Notice convening the 15th Annual General Meeting of the Company.

Besides being a director of the Company, Mr. Hegde is also on the boards of M/s. Transindia Freight Services Pvt. Ltd., Contech Transport Services Pvt. Ltd. and Alltrans Logistics Pvt. Ltd. Mr. Hegde holds 85,000 fully paid equity shares of the Company.

Mr. Umesh Shetty

Mr. Umesh Shetty, aged 42, holds Bachelor of Commerce degree and has a wide and rich experience of more than 17 years in the fields of cargo and logistic business.

Mr. Shetty started his career with M/s Transindia Freight Services Pvt. Ltd. (TFSPL), 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. With his strong entrepreneur skills and business acumen in logistic business, TFSPL has achieved various milestones and has registered sharp growth both in terms of business and shareholders value.

Mr. Shetty was appointed as an Additional Director on the Board of the Company w.e.f. January 22, 2008 and holds office upto the date of the ensuing Annual General Meeting of the Company. His appointment as Director of the Company, has been recommended to the members for approval by the Board of Directors at Item No. 06 of the Notice convening the 15th Annual General Meeting of the Company.

Besides being a director of the Company, Mr. Shetty is also on the board of M/s. Transindia Freight Services Pvt. Ltd., Alltrans Logistics Pvt. Ltd. and Indport Maritime Agencies Pvt. Ltd. Mr. Shetty holds 85,000 fully paid equity shares of the Company.

Mr. Akhilesh Gupta

Mr. Akhilesh Gupta, aged 55, holds B.Tech. degree in Chemical Engineering with distinction from the Indian Institute of Technology, Delhi and an MBA degree from the Graduate School of Business, Stanford University, and is a senior Managing Director and Chairman of Blackstone Advisors India Private Limited.

Mr. Gupta began his career at Hindustan Lever, India's largest multi-national corporation. From 1981 to 1992 he worked in the U.S, first in consulting with Strategic Planning Associates and ICF in Washington D.C., then as Senior Vice President and Chief Financial Officer of Krauses Sofa (an integrated retailer and manufacturer of furniture), and after that as Chief Financial Officer and Chief Operating Officer of Stylus Inc. (another integrated retailer and manufacturer of furniture).

Before joining Blackstone, Mr. Gupta served as CEO-Corporate Development for Reliance Industries Limited and Reliance Infocom Limited. During Mr. Gupta's tenure, the Reliance group was India's largest private sector business house with diversified interests in petrochemicals, energy, power, telecom, and financial services. Mr. Gupta's efforts at Reliance were focused on developing Reliance's oil & gas, refining, and telecom businesses.

At Blackstone, Mr. Gupta's primary role is to source and manage private equity transactions in India. In addition, he provides support for Blackstone's other businesses, including real estate and corporate advisory services.

Mr. Gupta was appointed as an Additional Director on the Board of the Company w.e.f. March 27, 2008 and holds office upto the date of the ensuing Annual General Meeting of the Company. His appointment as Director of the Company, has been recommended to the members for approval by the Board of Directors is placed at Item No. 07 of the Notice convening the 15th Annual General Meeting of the Company.

Besides being a director of the Company, Mr. Gupta is also on the Board of M/s. Emcure Pharmaceuticals Ltd., Intelnet Global Services Pvt. Ltd., SKR BPO Services Pvt. Ltd., Nagarjuna Construction Company Ltd., Gokaldas Exports Ltd. and MTAR Technologies Pvt. Ltd. Mr. Gupta does not hold any equity shares of the Company.

3. COMMITTEES OF BOARD

The Board has constituted committees comprising of executive and non-executive independent directors to focus on critical functions of the Company and also for smooth and efficient business operations. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of these committees in line with the laws of the land. The draft minutes of the proceedings of each committee meeting are circulated to the members of that Committee for their comments and thereafter, confirmed in its next meeting. 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.

Audit Committee:

The Audit Committee comprises of three non-executive independent directors who are well versed with finance, accounts, corporate laws and general business practices. The composition, procedures, role, power and the terms of reference of the Audit Committee are in accordance with Section 192A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the stock exchanges in India and *inter alia* include the following:

a) overseeing the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information;

b) recommending appointment and removal of statutory auditors and fixing of their fees;

c) reviewing with managment the annual financial satements before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements;

d) reviewing the adequacy of the Internal Audit including their policies, procedures, techniques and other regulatory requrements;

e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

g) any other terms of reference as may be included from time to time in Clause 49 of the Listing Agreement.

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

During the year under review, the Audit Committee met 5 times on January 29, 2007, April 24, 2007, July 25, 2007, October 30, 2007 and November 26, 2007. The composition of the Audit Committee and particulars of meetings held and attended by the members of the Audit Committee are given below:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Keki Elavia - Chairman	Non-Executive Independent	5	5
Mr. Kaiwan Kalyaniwalla	Non-Executive Independent	5	5
Mr. Satish Gupta	Non-Executive Independent	5	3

Compensation / Remuneration Committee:

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

Remuneration Policy:

The Managing Director and other whole time directors are paid remuneration by way of salary, commission, perquisites and allowances within the range approved by the shareholders of the Company from time to time.

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

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

Name of the Director	Category	Salary, Allowances and Perquisites Rs.	Sitting Fees Rs.	Commission Rs.
Mr. Shashi Kiran Shetty	Executive Director	8,821,200	Nil	9,000,000
Mrs. Arathi Shetty	Executive Director	1,848,000	Nil	Nil
Mr. Adarsh Hegde	Executive Director	3,300,000	Nil	Nil
Mr. Kaiwan Kalyaniwalla	Non-Executive Independent Director	Nil	260,000	2,000,000
Mr. Keki Elavia	Non-Executive Independent Director	Nil	260,000	600,000
Mr. Satish Gupta	Non-Executive Independent Director	Nil	135,000	Nil
Mr. Rajiv Sahney	Non-Executive Independent Director	Nil	80,000	Nil

Share Transfer / Investors' Grievance Committee:

The Share Transfer/Investors' Grievance Committee comprises of non-executive independent directors and executive director viz. Mr. Kaiwan Kalyaniwala, Chairman, Mr. Satish Gupta and Mr. Shashi Kiran Shetty. The Committee functions with the objective of looking into the redressal of shareholders' grievances relating to non-receipt of dividend, refund orders, share transfer, annual report etc.

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 under the Listing Agreement with Stock Exchanges. The Company Secretary also acts as a secretary to the Committee.

During the year under review, the Company had received five complaints from shareholders relating to non-receipt of dividend warrants and refund order and the same have been redressed to their satisfaction.

Executive Committee:

With the objective of taking various administrative and operational decisions of routine nature and to facilitate day-to-day business operations of the Company, the Board had constituted an Executive Committee comprising of executive directors of the Company. The Executive Committee meets frequently to decide various issues of routine nature like opening / closing of Bank Accounts, change in Banking authorisation, authorisation for legal, statutory compliances matters, acquiring premises for Company purpose etc.

IPO Committee:

The IPO Committee was constituted on January 14, 2006 as an ad hoc committee. The terms of reference of the IPO Committee were to decide and take action on all matters relating to the IPO including but not limited to the finalization of the Red Herring Prospectus or any other Offer Document, Bid-cum-Application Form or Form of Application in respect of the issue of Securities, the appointment and fixing of remuneration of intermediaries such as the Lead Managers, Legal Advisors, Bankers, Registrar and Transfer Agents, Printers, PR Agency and other intermediaries, the pricing of the Securities, the issue, allotment, and listing of the Securities and utilisation of the proceeds from the issue of Securities.

Since the object of the Committee was fully achieved, the said committee was disolved by the Board with effect from August 27, 2007.

Share Allotment Committee:

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

TFSPL Merger Committee:

TFSPL Merger Committee was constituted as an ad hoc committee, comprising of non-executive independent directors of the Company, with the objective of considering and recommending to the Board, mode of acquisition of the Project and Equipment business run by Transindia Freight Services Pvt. Ltd. The Committee recommended merger of the Project and Equipment business of Transindia Freight Services Pvt. Ltd. with the Company pursuant to the Scheme of Arrangement made u/s 391 to 394 of the Companies Act, 1956, which was approved by the Shareholders and Creditors of both the Company and also by Hon’ble Bombay High Court on May 2, 2008. Since the object of the Committee was fully achieved, the said committee was disolved by the Board with effect from June 26, 2008.

Resource Raising Committee:

The Resource Raising Committee was constituted as an ad hoc committee, comprising of non-executive independent directors of the Company, with the objective of recommending to the Board, suitable and economical mode of raising the funds for the Company to meet its capital expenditure and working capital requirements. The Committee recommended to the Board issue of equity and equity linked securities on preferential basis. Since the object of the Committee was fully achieved, the said committee was disolved by the Board with effect from June 26, 2008.

4. GENERAL BODY MEETINGS

Meeting	Date and Time	Venue	Special Resolutions passed
14th AGM	June 29, 2007 at 11.30 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai-400 020	1) Alteration of Articles of Association u/s 31 of the Companies Act, 1956 consequent upon increase in Authorised Capital of the Company. 2) To receive sitting fees, commission and other benefits by Managing Director / Whole-time Directors from subsidiary companies u/s 314 of the Companies Act, 1956. 3) Mandatory disclosures under SEBI (ESOS and ESPS) Guidelines, 1999, which were inadvertently omitted while confirming the 'Allcargo Employee Stock Option Plan 2006' at the 13th AGM. 4) Mandatory disclosures under SEBI (ESOS and ESPS) Guidelines, 1999, which were inadvertently omitted while approving extension of benefits of 'Allcargo Employee Stock Option Plan 2006' to the employees/directors of the subsidiary companies, at the 13th AGM.
13th AGM	September 29, 2006 at 3:00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020	1) Appointment of Mr. Adarsh Hegde to a place of profit u/s 314 of the Companies Act, 1956. 2) Confirmation and ratification to 'Allcargo Employee Stock Option Plan 2006' consequent upon listing of Company's equity shares on Stock Exchanges, post IPO. 3) Extension of benefits of 'Allcargo Employee Stock Option Plan 2006' to the employees / directors of subsidiaries of the Company. 4) To retain sitting fees and other similar benefits received by the Chairman and Managing Director and the Independent Director of the Company, from Ecu Hold N.V., wholly owned subsidiary of the Company, pursuant to Section 314 of the Companies Act, 1956. 5) Payment of commission out of profits to Non-Executive Directors of the Company under Section 309(4)(b) of the Companies Act, 1956.
12th AGM	July 20, 2005 at 3:00 p.m.	501, Diamond Square, CST Road, Kalina, Santacruz (E), Mumbai- 400 098.	Nil

No resolution was passed through postal ballot during last three Annual General Meetings and no resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

An Extra-Ordinary General Meeting of the members of the Company was held on January 5, 2007 at Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020, for obtaining the members approval for application and utilization of the part of the funds earmarked for specific projects as disclosed under the heading "Objects of the Issue" in the Prospectus dated June 12, 2006 as are not immediately required for the specific projects, for financing or part financing the acquisition of land at various strategic locations identified by the Company and for construction of Container Freight Stations (CFSs), Inland Container Depots (ICDs), Warehouses, Bonded Warehouses and such other related projects at such new locations.

5. DISCLOSURES:

(a) Disclosure on materially significant related party transactions

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

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

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

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

(c) Disclosure of Accounting Treatment

There is no deviation in following the treatment prescribed in any Accounting Standard in preparation of financial statements for the year ended on December 31, 2007.

(d) Board Disclosures – Risk Management

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

(e) Proceeds from public issue

The proceeds of the Initial Public Offer (IPO) of the Company have been utilised fully for the purposes mentioned in the IPO Prospectus only and there is no deviation in the application of these funds. However, shareholders of the Company at the Extra-ordinary General Meeting of the Company held on January 5, 2007, accorded their approval for application and utilisation of a part of the IPO funds not immediately required for specific projects as disclosed in IPO Prospectus for financing or part financing the acquisition of land at various strategic locations in India and for construction of Container Freight Stations/Inland Container Depots/Warehouses and such other related projects.

(f) Certification from CEO and CFO

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

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

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

6. MEANS OF COMMUNICATION:

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

7. CODE FOR PREVENTION OF INSIDER TRADING:

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

8. MANAGEMENT DISCUSSION AND ANALYSIS:

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

9. GENERAL SHARHOLDER INFORMATION:

(a) Annual General Meeting

Day, Date & Time	:	Tuesday, August 12, 2008 at 11.00 a.m.
Venue	:	Exchange Plaza, National Stock Exchange Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051.

(b) Tentative financial calendar for 2008

Financial year	:	January 1, 2008 to December 31, 2008
Board meetings for approval of quarterly results		
1st Quarter ending on March 31, 2008	:	April 24, 2008
2nd Quarter ending on June 30, 2008	:	July 2008
3rd Quarter ending on September 30, 2008	:	October 2008
4th Quarter ending on December 31, 2008	:	January 2009
Audited Results for the financial year ending on December 31, 2008	:	Within 120 days of the closure of the financial year

(c) Book Closure Period	:	August 5, 2008 to August 12, 2008 (Both days inclusive)
(d) Dividend payment date	:	Within 15 days from the declaration at AGM.
(e) Listing on Stock Exchanges	:	The equity shares of the Company are listed and traded on the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.
(f) Stock Code	:	BSE – 532749 NSE – ALLCARGO ISIN - INE418H01011

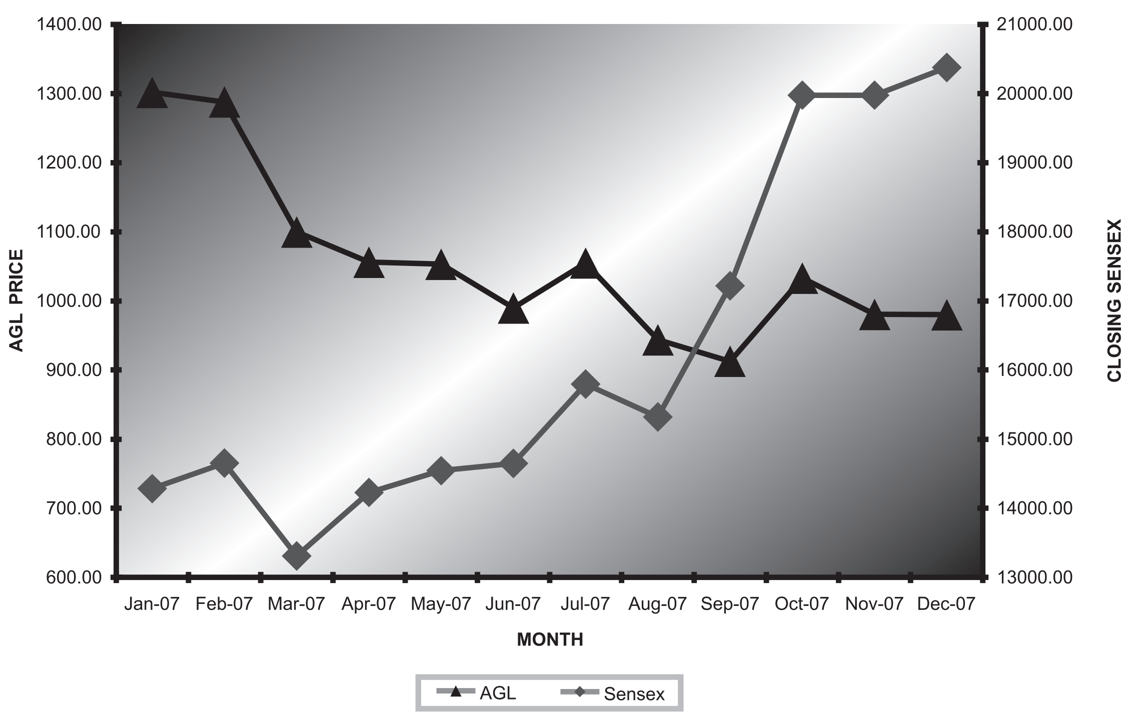
(g) Market price data

Details of high and low Price (based on the closing prices) and number of shares traded during each month in the last financial year on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
January	1,301.65	1,168.40	203,112	1,301.75	1,168.65	351,155
[redacted]	[redacted]	[redacted]	[redacted]	1,279.90	1,098.85	43,390
March	1,099.55	1,015.85	103,304	1,094.45	1,012.70	103,466
[redacted]	[redacted]	[redacted]	[redacted]	1,057.80	1,005.75	93,682
May	1,053.00	970.10	17,672	1,053.85	976.20	62,054
[redacted]	[redacted]	[redacted]	[redacted]	997.65	943.80	52,044
July	1,054.60	960.85	232,763	1,058.00	955.20	212,660
[redacted]	[redacted]	[redacted]	[redacted]	940.00	815.40	130,233
September	912.45	862.75	410,536	909.85	866.80	525,015
[redacted]	[redacted]	[redacted]	[redacted]	1,028.25	909.95	492,710
November	980.65	904.95	322,503	965.35	902.40	174,242
[redacted]	[redacted]	[redacted]	[redacted]	965.10	890.85	178,944

(h) Performance of share price of the Company in comparison to the BSE Sensex

ALLCARGO GLOBAL LOGISTIC LIMITED
BSE- CLOSING MONTHLY PRICE VS CLOSING MONTHLY SENSEX



(i) Share transfer system

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

(j) Dematerialization of shares

Equity shares of the Company are compulsorily traded in dematerilized 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 under Depository System is INE418H01011. As on December 31, 2007, 18,666,932 equity shares of Rs.10 each, representing 92.16% of the Company's total paid up capital, have been held in dematerialized form.

(k) Investor helpdesk

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

Intime Spectrum Registry Limited
Registrars and Transfer Agents
Unit: Allcargo Global Logistics Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078
Tel: 022 – 2596 3838 Fax: 022 – 2594 6969
Email: isrl@intimespectrum.com

Contact Person:

Mr. Rajesh Mishra

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

Mr. Shailesh Dholakia
Company Secretary & Compliance Officer
Allcargo Global Logistics Limited
Diamond Square, 6th Floor,
CST Road, Kalina,
Santacruz (East),
Mumbai – 400 098
Tel: 022 – 6679 8100 Fax : 022 – 2667 5834
Email: investor.relations@allcargoglobal.com

(l) Distribution of shareholding

Distribution of shareholding as on December 31, 2007 :

Shareholding of Nominal value	Shareholders	%	Share Amount	%
1 - 5000	3,820	94.84	1,827,410	0.90
5001 - 10000	82	2.04	663,890	0.33
10001 - 20000	35	0.87	508,030	0.25
20001 - 30000	19	0.47	480,520	0.24
30001 - 40000	11	0.27	394,990	0.20
40001 - 50000	10	0.25	461,230	0.23
50001 - 100000	11	0.27	848,410	0.42
100000 and above	40	0.99	197,373,970	97.44
Total	**4,028**	**100.00**	**202,558,450**	**100.00**

Shareholding pattern as on December 31, 2007:

Category	No. of Shares held	% holding
Indian Promoters	16,123,725	79.60
Mutual Fund	843,895	4.17
Private Corporate Bodies	806,864	3.98
FIIs / Foreign Companies / NRIs	1,662,168	8.20
Indian Public	688,274	3.40
Directors and their Relatives	14,160	0.07
Trust	108,660	0.54
Clearing Members	8,099	0.04
Total	**20,255,845**	**100.00**

Outstanding ADRs / GDRs :

The Company has not issued any ADRs/ GDRs/ Warrants or convertible instruments during the year under review.

(m) Office locations

Branches at:

Wakefield House, 1st Floor,
Sprott Road, Ballard Estate,
Mumbai - 400 038
Maharashtra, India

Dronagiri Railway Terminal (D.R.T.)
Opp. Punjab Conware Sector II,
Paghote Village,
Navi Mumbai - 400 705
Maharashtra, India

B - 706, Atma House,
Opp. Old R.B.I., Ashram Road,
Ahmedabad 380 009
Gujarat, India

402, 3rd Floor,
Oxford Chambers,
Rustom Baugh,
Main Road, Kodihalli,
Bangalore - 560 071,
Karnataka, India

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

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

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

2nd Floor, 217, Parasnath Plaza 1,
Plot No. 2,
Neelgiri Commercial Centre,
Mansarover Scheme,
Delhi Road,
Moradabad - 244 001,
Uttar Pradesh, India

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

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

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

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

Krishna Tower, 4th floor,
Room No. 407, 15/63,
Civil Lane, Kanpur - 208 001
Uttar Pradesh, India

Second Floor, 217,
Parasnath Plaza 1, Plot No. 2,
Neelgiri Commercial Centre,
Mansarover Scheme, Delhi Road
Moradabad - 244 001,
Uttar Pradesh, India

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

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

512, Aakashdeep Plaza,
5th Floor, Golmori,
Dist. Singhbhum East,
Jamshedpur - 831 003
Jarkhand, India

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

Lokmat Bhavan, B Wing,
207, 2nd Floor, Wardha Road,
Nagpur - 440012

1526, Madan Bhandari Path IV,
New Baneshwar,
Kathmandu, Nepal

200 Middlesex Turnpike
Iselin, New Jersey 08830,
U.S.A.

Kukreja Centre,
A Wing, Office. 103, 3rd Floor,
Plot No. 13, Sector-11,
CBD Belapur
Navi Mumbai - 400 614

City Centre, 2nd Floor,
Office No. 212, 570, M G Road,
Indore, (M P) - 452 001

Container Freight Stations at:

Kaproli Village,
Taluka - Uran,
Dist-Raigad - 410 206,
Maharashta, India

913 Thiruvottiyur High Road,
Ernavur, Chennai - 600 057,
Tamil Nadu, India

Bharat Zone 1,
Mundra Port CFS Area,
Navinal Island, Mundra,
District Kutch - 370 421,
Gujarat, India

For and on behalf of the Board of Directors

Shashi Kiran Shetty
Chairman & Managing Director

DECLARATION

To,
The Members of
Allcargo Global Logistics Limited

I, Shashi Kiran Shetty, Chairman & Managing Director of Allcargo Global Logistics Limited ("the Company") hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct, laid down and adopted by the Company, during the year ended December 31, 2007.

For Allcargo Global Logistics Limited

Shashi Kiran Shetty
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Allcargo Global Logistics Limited

We have examined the compliance of conditions of corporate governance by **Allcargo Global Logistics Limited**, for the year ended December 31, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporarate Governance as stipulated in the above-mentioned listing agreement.

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

For Mehta & Mehta
Company Secretaries

Dipti Mehta
Partner
Membership No.3667

Place : Mumbai
Date : June 26, 2008

Financials

To

The Members of **Allcargo Global Logistics Limited**

1. We have audited the attached Balance Sheet of **Allcargo Global Logistics Limited** as at December 31, 2007 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluation of the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003, (herein after referred to as the "Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   iv. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement, dealt with by this report, complies with the Accounting Standards referred to in the Companies (Accounting Standard) Rules, 2006, issued by Central Government, read together with sub-section (3C) of Section 211 of the Companies Act, 1956;
   v. Reference is drawn to the note 11 of Schedule 21, regarding the change in method of charging depreciation on Commercial Vehicles given on Lease, from written down value method to straight line method for the year ended December 31, 2007 . If the Company had continued depreciating the above asset on written down value method, the Profit after Tax would have been Rs. 579,590 thousand instead of Rs.597,835 thousand Reserves & Surplus would have been Rs.3,598,210 thousand instead of Rs.3,616,454 thousand Fixed Assets would have been Rs.2,067,501 thousand instead of Rs.2,100,867 thousand Deferred Tax Liability would have been Rs. 90,250 thousand instead of Rs.101,591 thousand and MAT Credit Entitlement account would have been Rs.30,472 thousand instead of Rs. 26,692 thousand;
   vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :
      (a) in the case of balance sheet, of the state of affairs of the Company as at December 31, 2007;
      (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
      (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors as on December 31, 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on December 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan
Partner
Membership No.38378

Place : Mumbai
Dated : June 26, 2008

ANNEXURE TO THE AUDITORS' REPORT

i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. Fixed Assets disposed off during the year were not substantial and therefore do not affect going concern assumption.

ii) a. Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification.

iii) a. The Company had granted an unsecured loan to a company listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount during the year was Rs. 2,35,89 thousand. At the year-end, the outstanding balance of the loan granted was Nil.

b. In our opinion, the rate of interest and other terms and conditions of the Loan was not, *prima facie,* prejudicial to the interest of the Company.

c. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to sale of goods and supply of services. During the course of the audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

v) a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi) As the Company has not accepted any deposits from the public, paragraph 4 (vi) of the Order is not applicable.

vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.

ix) a. According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, Employee's State Insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities.

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

Sr. No.	Name of the Statute	Period to which the amount relates	Amount disputed Rs. in 000's	Amount paid Rs.
1	Income Tax Act	2002-2003	1,617	Nil
2	Income Tax Act	2003-2004	564	Nil

x) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current and the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Order is not applicable.

xiii) As the Company is not a chit fund/nidhi/mutual benefit funds/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4(xiii) of the Order is not applicable.

xiv) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name.

xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flows of the Company, we report that funds raised on short-term basis have not been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

xviii) The Company has not made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) As the Company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.

xx) The Company has not raised any money through a public issue during the year.

xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended December 31, 2007.

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan
Partner
Membership No.38378

Place : Mumbai
Dated : June 26, 2008

BALANCE SHEET AS AT DECEMBER 31, 2007

(Rs. in 000's)

	Schedule	This Year	This Year	Previous Period
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	1	**223,589**		202,558
Employee Stock Options Outstanding	2	**15,001**		7,726
Reserves and Surplus	3	**3,616,454**		3,017,334
			3,855,044	3,227,618
LOAN FUNDS				
Secured Loans	4		**243,792**	45,764
DEFERRED TAX LIABILITY (NET)			**101,592**	32,918
			4,200,428	3,306,300
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	**2,486,234**		906,608
Less : Depreciation		**385,366**		113,966
Net Block		**2,100,868**		792,642
Capital Work In Progress		**405,169**		340,049
			2,506,037	1,132,691
INVESTMENTS	6		**1,140,591**	1,242,417
CURRENT ASSETS, LOANS AND ADVANCES				
A. Current Assets				
Interest Accrued on Investment		**312**		153
Spares and Consumables		**14,652**		—
Sundry Debtors	7	**456,257**		266,294
Cash and Bank Balances	8	**146,941**		110,301
B. Loans and Advances	9	**405,504**		879,631
		1,023,666		1,256,379
CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities	10	**384,541**		275,804
B. Provisions	11	**86,231**		50,094
		470,772		325,898
NET CURRENT ASSETS			**552,894**	930,481
MISCELLANEOUS EXPENDITURE	12		**906**	711
(To the extent not written off or adjusted)				
			4,200,428	3,306,300
Significant Accounting Policies and Notes on Accounts	21			

As per our report of even date

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan
Partner
Membership No. 38378

Place : Mumbai
Dated : June 26, 2008

For and on behalf of the Board

Shashi Kiran Shetty
Chairman and Managing Director

Keki Elavia
Director

S. Suryanarayanan
Group Chief Financial Officer

Shailesh Dholakia
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2007

(Rs. in 000's)

	Schedule		This Year	Previous Period
INCOME				
Operating Income	13		**3,600,478**	2,245,893
Other Income	14		**44,837**	47,511
			3,645,315	2,293,404
EXPENDITURE				
Multimodal Transport Operations	15		**2,043,213**	1,358,943
Container Freight Station	16		**188,555**	211,043
Equipment Hire	17		**69,087**	—
Employee Cost	18		**228,490**	97,410
Administrative and Selling	19		**290,335**	113,813
Interest	20		**20,952**	11,522
Depreciation	5		**142,019**	29,305
Preliminary Expenses Written Off			**435**	164
			2,983,086	1,822,200
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM			**662,229**	471,204
EXCEPTIONAL ITEM				
Earlier years Depreciation written back			**33,366**	42,743
Profit on sale of shares of subsidiary			**7,457**	—
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEM			**703,052**	513,947
Provision For Taxation				
Current Tax		**81,154**		57,400
Deferred Tax		**43,712**		22,651
MAT Credit		**(26,692)**		—
Wealth Tax		**106**		95
Fringe Benefit Tax		**6,936**		2,965
			105,216	83,111
PROFIT AFTER TAX			**597,836**	430,836
Tax Adjustment for earlier years			**(24)**	(900)
Prior Period Expenses			**—**	—
Balance brought forward from Previous Year			**545,441**	264,441
PROFIT AVAILABLE FOR APPROPRIATIONS			**1,143,253**	694,377
APPROPRIATIONS :				
Interim Dividend Paid			**40,512**	91,152
Tax on Interim Dividend			**6,885**	12,784
Proposed Dividend			**67,088**	—
Tax on Proposed Dividend			**11,402**	—
General Reserve			**75,000**	45,000
Surplus Carried to Balance Sheet			**942,366**	545,441
			1,143,253	694,377
EARNING PER SHARE (Rs.)				
Earnings Per Share-Basic				
Before Exceptional Items			**24.91**	19.67
After Exceptional Items			**26.74**	21.84
Earnings Per Share- Diluted				
Before Exceptional Items			**24.87**	19.62
After Exceptional Items			**26.69**	21.78
Significant Accounting Policies and Notes on Accounts	21			

As per our report of even date

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan
Partner
Membership No. 38378

Place : Mumbai
Dated : June 26, 2008

For and on behalf of the Board

Shashi Kiran Shetty
Chairman and Managing Director

Keki Elavia
Director

S. Suryanarayanan
Group Chief Financial Officer

Shailesh Dholakia
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2007

(Rs.in 000's)

	This Year	Previous Period
A. Cash Flow from Operating Activities		
Net Profit Before Tax	**703,052**	513,947
Depreciation	**108,653**	(13,438)
Loss on Sale of Fixed Assets	**3,308**	678
Preliminary Expenses written off	**435**	164
Interest Payments	**20,952**	11,522
Employees compensation expenses (Stock Option)	**7,276**	5,753
Foreign exchange loss/(gain)	**2,983**	(479)
Interest Received	**(3,545)**	(3,974)
Provision for doubtful debts	**2,567**	—
Profit on Sale of Assets	**(160)**	—
Profit on Sale of Shares	**(25,464)**	(30,167)
Provisions for Liabilities	**5,932**	(1,685)
Dividend	**(1,137)**	(2,913)
Operating Profit before Working Capital Changes	**824,852**	479,408
Adjustment for:		
Increase/Decrease in Trade and Other receivables/stock	**449,313**	(746,818)
Increase/Decrease in Trade Payables and Other liabilities	**42,739**	49,815
Direct Taxes Paid	**(120,506)**	(50,033)
Net Cash from Operating Activities	**1,196,398**	(267,628)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets (Including Capital Advances)	**(1,236,698)**	(636,819)
Purchase of Investments	**(699,254)**	(3,475,417)
Sale of Investments	**827,907**	3,056,962
Sale of Fixed Assets	**10,977**	740
Interest Received	**3,545**	3,974
Dividend	**1,137**	2,913
Net Cash from Investing Activities	**(1,092,386)**	(1,047,647)
C. Cash Flow from Financing Activities		
Receipt / Payment of Loans	**43,153**	(179,556)
Preliminary Expenses Incurred	**(630)**	—
Share Issue Expenses Incurred	**—**	(102,576)
Proposed Dividend	**—**	(30,384)
Tax on Proposed Dividend	**—**	(4,261)
Interim Dividend	**(81,024)**	(50,640)
Tax on Interim Dividend	**(12,567)**	(7,102)
Issue of Share Capital including Premium	**—**	1,403,325
Interest Paid on Loans	**(20,952)**	(11,522)
Net Cash from Financing Activities	**(72,020)**	1,017,284
Net Increase in Cash and Cash Equivalent (A+B+C)	**31,992**	(297,991)
Cash and Cash Equivalent at the beginning of year	**110,301**	408,292
Cash and Cash Equivalent of merged undertaking at the beginning of year	**4,648**	—
Cash and Cash Equivalent as the end of the year	**146,941**	110,301

As per our report of even date **For and on behalf of the Board**

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan
Partner
Membership No. 38378

Place : Mumbai
Dated : June 26, 2008

Shashi Kiran Shetty
Chairman and Managing Director

S. Suryanarayanan
Group Chief Financial Officer

Keki Elavia
Director

Shailesh Dholakia
Company Secretary

(Rs. in 000's)

Schedules	This Year	Previous Period
1 SHARE CAPITAL		
Authorised		
30,000,000 Equity Shares of Rs. 10/- each (Pr. Yr. 21,000,000 Equity Shares of Rs. 10/- each)	**300,000**	210,000
Issued, Subscribed and Paid-up Capital		
20,255,845 Equity Shares of Rs.10/- each fully paid	**202,558**	202,558
Share Capital Suspense	**21,031**	—
	223,589	202,558
2 EMPLOYEES STOCK OPTIONS OUTSTANDING		
Employee Stock Option Outstanding	**25,299**	29,692
Less : Deferred Employee Compensation Expenses	**10,298**	21,966
	15,001	7,726
3 RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last balance sheet	**2,088,607**	808,648
Received during the year	**—**	1,382,535
	2,088,607	2,191,183
Less : Share Issue Expenses	**—**	102,576
	2,088,607	2,088,607
General Reserves		
Balance as per last balance sheet	**383,286**	338,286
Add: Transferred from Demerged Undertaking	**127,195**	—
Add: Transferred from profit and loss account	**75,000**	45,000
	585,481	383,286
Less: Capitalisation of Reserves	**—**	—
	585,481	383,286
Profit and Loss Account	**942,366**	545,441
	3,616,454	3,017,334
4 LOAN FUNDS		
Secured Loans		
From Banks:		
a) Working Capital Facilities		
(Secured by hypothecation of stores stock, book debts and certain vehicles and guaranteed by Directors)	**43,105**	—
b) Term Loan		
(Secured by Hypothecation of Vehicles & Equipments Secured loan of Rs. 9,579/- thousand (P.Y. Rs. 28,492 thousand) is guaranteed by Directors)	**200,687**	45,764
	243,792	45,764

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule 5

FIXED ASSETS

(Rs. in 000's)

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Opening	Additions	Transfer on Merger	Deductions / Adjustments	Closing	Opening	Additions	Depreciation on Transfer on Merger	Deductions / Adjustments	Closing	**This Year**	Previous Period
Freehold Land	103,087	157,840	—	—	260,927	—	—	—	—	—	**260,927**	103,087
Leasehold Land	172,773	34,045	—	1,470	205,348	3,119	5,543	—	—	8,662	**196,686**	169,654
Buildings	269,847	316,936	30,353	—	617,136	8,642	9,015	1,156	—	18,813	**598,323**	261,205
Plant and Machinery	72,797	54,473	7,394	677	133,987	9,235	5,688	1,081	206	15,798	**118,189**	63,562
Commercial Vehicles												
On Lease	73,165	370,648	167,248	5,998	605,063	48,530	70,445	37,701	33,392	123,284	**481,779**	24,635
Others	96,561	183,830	205,481	450	485,422	3,592	36,059	119,628	379	158,900	**326,522**	92,969
Other Vehicles	15,377	4,712	7,094	6,611	20,572	4,425	2,097	2,416	2,192	6,746	**13,826**	10,952
Office Equipments	42,221	18,200	5,289	45	65,665	21,458	6,929	3,493	13	31,867	**33,798**	20,763
Furnitures & Fixtures	51,388	30,894	2,774	2,334	82,722	12,857	4,721	733	645	17,666	**65,056**	38,531
Software Packages	9,392	—	—	—	9,392	2,108	1,522	—	—	3,630	**5,762**	7,284
THIS YEAR	906,608	1171,578	425,633	17,585	2,486,234	113,966	142,019	166,208	36,827	385,366	**2,100,868**	—
PREVIOUS PERIOD	496,330	418,548	—	8,270	906,608	132,838	29,305	—	48,177	113,966	**—**	792,642
Capital Work-In-Progress											**405,169**	340,049
											2,506,037	1,132,691

Schedules	This Year	Previous Period
	(Rs. in 000's)	
6 INVESTMENTS		
In Subsidiaries		
10,000 Equity Shares of Contech Transport Services Pvt. Ltd. of Rs. 100/- each	**2,168**	2,168
10,000 (P.Y. 62) Equity Shares of Allcargo Belgium N. V.	**581,668**	3,274
250,000 (P.Y. Nil) Equity Shares of Hindustan Cargo Ltd. of Rs.10/- each	**89,058**	—
49,772 (P.Y. 80,272) Class 'B' Ordinary Shares of Ecu Hold N. V.	**435,358**	702,050
(Sold 30,500 Class 'B' Ordinary Shares to Wholly owned subsidiary company)		
50,000 Ordinary Shares of ACM Lines Pty. Ltd. of SR 1/- each	**263**	—
9,999 (P.Y. Nil) Equity Shares of ECU Line (India) Pvt. Ltd. of Rs. 10/- each	**100**	—
In Fully Paid-up Equity Shares		
I) Long Term Investments		
Quoted		
486 Equity Shares of Suzlon Energy Ltd. of Rs. 10/- each	**248**	248
283 Equity Shares of Centurion Bank of Punjab Ltd. of Rs. 10/- each	**110**	110
6,703 Equity Shares of National Thermal Power Corporation Ltd. of Rs. 10/- each	**416**	416
5,000 Equity Shares of Millenium Beer Ltd. of Rs. 10/- each	**51**	51
1,399 (P.Y. NIL) Equity Shares of Reliance Petroleum Ltd. of Rs.10/- Each	**84**	84
Unquoted-Non Trade		
10,000 Equity Shares of Magic (Qpro) Trading Co. Ltd. of Rs. 10/- each	**100**	100
2,500 Equity Shares of Allsoft Corporation Ltd. of Rs.10/- each	**83**	83
Unquoted-Trade		
In Associate Companies		
10 Equity shares of Alltrans Port Management Pvt. Ltd. of Rs. 100/- each	**—**	—
21,800 (P.Y.Nil) Equity shares of Transnepal Freight Services Pvt. Ltd. of Rs. 100/- (Nepali Currency) each	**1,363**	—
50,000 Ordinary Shares of ACM Lines Pty. Ltd. of SR 1/- each	**—**	263
90 Ordinary Shares of Transworld Logistics and Shipping Services of US $ 250 each (US $ 500 each)	**1,093**	1,093
II) Current Investments - Non Trade		
(At cost or market value whichever is lower)		
A. Investments in Mutual Funds Units		
201,723.719 (P.Y. Nil) Units Reliance Equity Oppurtunities Fund	**4,500**	—
(435,645.326 Units purchased during the year)		
Nil (P.Y. 1,988,856) Units of SBI Mutual Fund Debt Fund Series	**—**	19,888
(1988856 Units sold during the year)		
Nil (P.Y. 750000) Units of LIC Mutual Fund FMP series	**—**	7,500
(750000 Units sold during the year)		
241460.352 (P.Y. Nil) Units DWS Insta Cash Plus Fund	**3,000**	—
(17759303 Units Purchased during the Year & 17517843 Units sold during the year)		
399797.710 (P.Y. Nil) Units ICICI Prud. Intit. Plan	**7,720**	—
(399797.710 Units purchased during the year)		

(Rs. in 000's)

Schedules	This Year	Previous Period
B. Balance of unutilised monies raised by issue		
Nil (P.Y. 7388171.588) Units Birla Cash Plus Institutional Premium (7388171.588 Sold during the year)	—	86,315
Nil (P.Y. 174597) Units Birla Cash Plus Liquid Plan (174597 Sold during the year)	—	34,731
Nil (P.Y. 10185616.4856) Units Kotak Mahindra Mutual Fund (10185616.4856 Sold during the year)	—	151,206
Nil (P.Y. 13028009.08) Units LIC Mutual Fund (13028009.08 Sold during the year)	—	152,725
Nil (P.Y. 8011144) Units SBI Mutual Fund Debt Fund Series (8011144 Sold during the year)	—	80,111
850081.876 (P.Y. Nil) Units of LIC Principal Cash Management Fund 850081.876 Units purchased during the year)	**13,208**	—
	1,140,591	1,242,417
Aggregate amount of Quoted Investments	**909**	908
Aggregate amount of Unquoted Investments	**1,111,254**	709,032
Aggregate amount of Current Investments	**28,428**	532,477
	1,140,591	1,242,417
Aggregate market value of Quoted Investments	**3,308**	1,828
Aggregate market value of Current Investments	**30,525**	533,799
	Units	Units
Investments purchased and sold during the year		
Birla Sun Life Cash Manager - Institutional Premium - Growth	**14,431**	7,045
DSP Merrill Lynch Liquid Plus - Growth Option	—	5
DSP Merrill Lynch Liquid Plus Institutional Plan - Growth Option	—	125
DWS Money Plus Regular Plan - Growth	**5,180**	476
DWS Money Plus Regular Plan Weekly Dividend - Dividend Option	—	3,300
Kotak Bond Short Term Plan - Growth	**25,061**	11,371
Kotak Liquid (Institutional Premium) - Growth	—	31,412
L108G SBI Debt Fund Series - 90 Days - Growth	—	21,452
LIC MF FMP Series 9 - 3 Months Growth Plan	—	250
LIC MF Liquid Fund - Growth Plan	**29,988**	15,082
P31ISG Prudential ICICI Institutional Liquid Plan - Super Institutional Growth	—	14,289
Principal Cash Management Fund Liquid Option Instl. Prem. Plan - Growth	**4,408**	45,229
Prudential ICICI Flexible Income Plan - Growth Option	—	761
Prudential ICICI Institutional Short Term Plan - Cumulative Option	**2,415**	3,596
Reliance Fixed Horizon Fund Monthly Plan A - Series IV - Dividend Option	—	5,000
Reliance Fixed Horizon Fund Quarterly Plan A - Series V - Dividend Option	—	5,000
Reliance Fixed Horizon Fund Quarterly Plan A - Series VI - Growth Option Switched to Growth Fund	—	5,000
Reliance Fixed Horizon Fund Quarterly Plan B - Series V - Growth Option	—	750
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	—	332

(Rs. in 000's)

Schedules	This Year	Previous Period
	Units	Units
Templeton India Treasury Management Account Super Institutional Plan - Growth	—	287
UTI Liquid Fund	27	21
DWS Credit Opportunities Cash Fund	5,256	—
Birla Cash Plus Liquid Plan	1,745	—
HDFC Cash Management	186	—
ICICI Prudential Liquid Fund	3,441	—
JM Money Manager Fund	828	—
Kotak Flexi Debt Scheme - Growth	7,743	—
Kotak Mahindra Mutual Fund	1,277	—
Lotus India Liquid Plus Fund	17,654	—
Principal Floating Rate Fund FMS	7,478	—
Principal FRF Fund	6,585	—
Principal PNB FMP	11,474	—
Reliance FMP -II	8,000	—
Reliance Liquidity Fund	5,439	—
SBI Mutual Fund	10,000	—
UTI Money Market Fund	429	—
7 SUNDRY DEBTORS (Unsecured)		
Debts outstanding over six months		
Considered Good	56,839	78,989
Considered Doubtful	1,955	1,011
	58,794	80,000
Other Debts		
Considered Good	399,418	187,305
Considered Doubtful	1,870	—
	401,288	187,305
	460,082	267,305
Less : Provision for Doubtful Debts	3,825	1,011
	456,257	266,294
Out of the above Sundry Debtors Rs. 82,411 thousand is Outstanding from Subsidiary Companies.		
8 CASH AND BANK BALANCES		
Cash on Hand	5,213	1,158
Balances with Scheduled Banks:		
In Current Accounts	86,767	105,238
In Fixed Deposit Accounts	54,961	3,905
	146,941	110,301
Out of the above Rs. 205 thousand is in unutilised IPO Funds		
9 LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Due from Subsidiaries	38,973	1,494
Advances Recoverable in cash or kind or for value to be received	292,278	873,269
Advance Tax net of Provisions Rs. 252,575 thousand (P. Y. Nil)	42,064	—
MAT credit entitlement	26,692	—
Balance with Customs and Ports	5,497	4,868
	405,504	879,631

(Rs. in 000's)

Schedules	This Year	Previous Period
10 CURRENT LIABILITIES		
Sundry Creditors		
Total Outstanding dues to :		
Micro, Small or Medium Enterprises	—	—
Others	137,886	56,312
Unpaid Dividend*	70	16
Other Liabilities	246,585	219,476
* There is no amount due to be credited to Investors Education & Protection Fund		
	384,541	275,804
11 PROVISION		
For Taxation net of Advance Tax Rs. Nil (P.Y. 149,174 thousand)	—	1,663
For Proposed Dividend	67,088	—
For Tax on Proposed Dividend	11,402	—
For Retirement Benefits	7,741	2,237
For Interim Dividend	—	40,512
For Tax on Interim Dividend	—	5,682
	86,231	50,094
12 MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	1,341	875
Less : Written off during the year	435	164
	906	711

(Rs.in 000's)

Schedules

	This Year	Previous Period
13 OPERATING INCOME		
Mutimodal Transport Operations	**2,424,742**	1,614,056
Contanier Freight Station	**934,132**	618,637
Equipment Hire	**241,604**	13,200
	3,600,478	2,245,893
14 OTHER INCOME		
Interest (Gross of tax deducted at source	**3,545**	3,974
Rs. 666 thousand (P.Y. Rs. 828 thousand))		
Profit on sale of Assets	**160**	—
Profit on sale of Investments	**18,007**	30,259
Management fees received	**9,325**	8,511
Dividend	**1,137**	2,913
Rent received	**618**	1,854
Business support charges	**12,045**	—
	44,837	47,511
15 MULTIMODAL TRANSPORT OPERATIONS		
Operating Expenses	**1,529,017**	1,107,284
Claims and Compensation	**2,689**	1,696
Documentation charges	**16,347**	3,694
Break bulk Expenses	**147,154**	114,225
Insurance	**6,958**	2,188
Import Delivery Order Charges	**46,597**	38,774
Air Freight Expenses	**48,695**	23,195
Space Reservation Charges	**9,436**	8,571
Fuel expenses	**95,779**	—
Vehicle Repairs	**32,618**	—
Spares consumed	**32,710**	—
Others	**75,213**	59,316
	2,043,213	1,358,943
16 CONTAINER FREIGHT STATION		
Power & Fuel	**30,762**	18,529
Container Transportation Charges	**10,707**	115,725
Equipment Hire Charges	**19,166**	28,161
Repairs & Maintanance-Others	**13,538**	9,188
Others Expenses	**114,382**	39,440
	188,555	211,043

(Rs.in 000's)

Schedules	This Year	Previous Period
17 EQUIPMENT HIRE		
Spares Consumed	**23,056**	—
Fuel Expenses	**16,613**	—
Hiring Expenses	**4,457**	—
Insurance	**281**	—
Repairs & Maintenance - Others	**17,047**	—
Other Expenses	**7,633**	—
	69,087	—
18 EMPLOYEE COST		
Salaries & Others Benefits	**175,573**	78,099
Contribution to Provident & others funds	**10,194**	3,823
Gratuity	**1,853**	1,383
Staff Welfare Expenses	**40,870**	14,105
	228,490	97,410
19 ADMINISTRATIVE AND SELLING		
Communication Charges	**16,151**	10,363
Rent Rates & Taxes	**48,102**	23,888
Travelling	**56,013**	15,388
Electricity Charges	**13,180**	4,681
Repairs to :		
Building	**12,900**	2,474
Others	**6,073**	5,441
Directors Fees	**735**	160
Directors Remuneration	**2,600**	—
Professional and Legal Fees	**43,218**	14,181
Insurance	**5,314**	2,172
Donations	**11,600**	2,442
Business Promotion	**16,702**	5,200
Provision for Doubtful Debts	**2,567**	—
Payment to Auditors :		
For Audit	**1,625**	1,400
For Tax Audit	**406**	250
For Other services	**336**	190
Others Expenses	**52,813**	25,583
	290,335	113,813
20 INTEREST		
On Fixed Loans	**15,298**	10,725
On Bank Overdrafts	**4,612**	778
Other Interest	**1,042**	19
	20,952	11,522

Schedule 21

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

I. Statement of Significant Accounting Policies

1. Accounting Conventions:

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

2. Fixed Assets:

2.1 Fixed assets are recorded at cost less accummulated depreciation and provision for impairment loss, if any.

2.2 Cost includes purchase price and any attributable cost of bringing asset to its applicable use.

2.3 The Company capitalizes interest on the loan utilized for construction of fixed assets for the new projects upto the date of commencement of commercial use.

3. Asset Impairment :

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount the estimated future cash flows are discounted to their present value at an appropriate discount rate.

4. Depreciation:

4.1 Leasehold land is amortised equally over the period of the lease.

4.2 Depreciation on fixed assets including assets created on land and office premises under lease is provided on straight line method in accordance with Schedule XIV of the Companies Act, 1956. Renewal of leases is assumed, consistent with past practice. Depreciation on fixed assets, is provided on straight line method at the rate specified in Schedule XIV of the Companies Act, 1956.

4.3 Fixed assets costing Rs. 5000/- or less, are fully depreciated in the year of acquisition.

5. Investments:

5.1 Long Term Investments are carried at cost. Provision for dimunition, if any, in the value of each long term investment is made to recognise a decline, other than of a temporary nature. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

5.2 Current Investments are carried at lower of cost or fair value.

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

6. Inventories:

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

7. Expenditure during construction period :

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

8. Borrowing Cost :

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

9. Miscellaneous Expenditure:

Preliminary expenses are amortised over a period of 5 years.

10. Revenue Recognition:

10.1 Multimodal Transport Income and Multimodal Transport expenses are recognised on the basis of sailing of vessels and completion of transport as per contractual terms.

10.2 Income from Container Freight station operations relating to export containers is accounted on an accrual basis. Container Freight Station ground rent charge on Import stuffed containers is accounted to the extent of recoverability from carriers of containers. Import cargo handling charges are accounted on clearance.

10.3 Revenue and expenses for sale of abandoned cargo are recognized when auctioned. Surplus, if any, out of auctions is credited to a separate account "Auction Surplus" and is shown under current liabilities. Unclaimed auction surplus outstanding for more than one year is written back as income in the subsequent financial year.

10.4 On equipment hiring activities, revenue is recognized as per contractual terms.

11. Employee's Retirement benefit:

11.1 Retirement benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to the Profit & Loss Account of the year when the contributions to the respective funds accrue.

11.2 Gratuity liability which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.

11.3 Leave encashment benefit on retirement, wherever applicable, is determined on the basis of actuarial valuation and such liability is provided in the accounts.

12. Employee Stock Option Plan:

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

13. Taxes on Income:

Current tax is the amount of tax payable on the assessable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.Deferred Tax is recognised on timing differences, being the difference between taxable income and accounting income that orignate in one period and are capable of reversal in one or more subsequent periods. Defferred tax assets on unabsorbed tax losses and tax depreciation are recognised only when there is virtual certainity of their realisation and on other items when there is reasonable certainity that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rate and laws enacted or substantially enacted on the balance sheet date. Provision for Fringe Benefit Tax for the year has been determined in accordance with the provisions of section 115WC of the Income Tax Act , 1961. Minimum Alternative Tax (MAT) credit is recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India. The said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT

Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

14. Foreign Currency Transaction:

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

15. Leases :

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

16. Segment Reporting:

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

II. Notes forming part of Accounts

1. Figures in rupees have been rounded off to the nearest thousands.

2. Previous period figures are regrouped wherever necessary to conform to this year's classification. Previous period figures are not comparable to those of current year as the previous year was for a period of nine months and due to merger of the Project and Equipment Division of Transindia Freight Services Pvt Ltd.

3. Merger of Project and Equipment Division
The Scheme of Arrangement (the Scheme) under Section 391 to 394 of the Companies Act, 1956 between Allcargo Global Logistics Limited ('AGL'), Transindia Freight Services Pvt. Ltd. ('TFSPL') and their respective shareholders and creditors is sanctioned by the Hon'ble Bombay High Court vide Order dated May 2, 2008 and copy of the Order has been filed with the Registrar of Companies, Mumbai, Maharashtra on May 19, 2008. Accordingly the Scheme became effective and operational from May 19, 2008. Pursuant to the Scheme, following assets and liabilities pertaining to the Project and Equipment Division of TFSPL have been transferred to and vested with AGL with effect from the appointed date i.e. January 1, 2007, on a going concern basis.

ASSETS	(Amount in 000's)
Gross Block	425,633
Less: Depreciation	166,208
Net Block	259,425
Investment	1,363
Current Assets, Loans & Advances:	
- Inventories of Spares	14,075
- Sundry Debtors	79,183
- Cash and Bank Balances	4,648
- Loans and Advances	59,277
Miscellaneous Expenditure	574
Total Assets - (A)	**418,545**
LIABILITIES	
Secured Loans	154,874
Unsecured Loans	5,319
Current Liabilities & Provisions:	
- Current Liabilities	59,257
- Provisions	25,906
Deferred Tax Liabilities	24,962
Total Liabilities - (B)	**270,318**
Surplus Assets (A-B)	**148,227**

This Scheme has been given effect to in the financial statements for the year ended December 31, 2007 except for the allotment of 2,103,080 equity shares of Rs.10 each fully paid, which has been shown under Share Suspense Account in these financial statements.

As per the accounting treatment prescribed in the Scheme:

a. The value of the net assets of the Project and Equipment division of TFSPL of Rs.148,227 thousand has been transferred to the Company and will be adjusted against the face value of 2,103,080 equity shares of Rs.10 each fully paid and the difference of Rs.127,195 thousand has been adjusted in the General Reserve Account of the Company.

b. The transactions of Project and Equipment division between the appointed date and the effective date, carried out by TFSPL are deemed to be made on behalf of AGL. Accordingly all assets, liabilities, income and expenditure of the Project and Equipment division for the said period accounted in the books of TFSPL are taken over by AGL and given effect in these financial statements.

4. Contingent Liabilities not provided for :

i) Counter Guarantees to Banks against guarantees issued by them Rs. 157,799 thousand

(Previous Period Rs 33,373 thousand)

ii) Continuity Bond executed in favour of The President of India through the Commissioner of Customs Rs 1,145,000 thousand (Previous Period Rs. 1,088,000 thousand)

iii) Guarantees issued to Bankers in respect of Nepal Intermodal Transport Development Board for Rs 6,696 thousand (Previous Period Nil)

iv) Custom Duty payable on Import of equipment under EPCG Scheme if the Company is not able to fulfill its Export Obligation, Rs. 41,497 thousand (Previous Period Rs 41,497 thousand)

v) Suits filed against the Company towards operational claims Rs. 28,620 thousand (Previous Period Rs 28,823 thousand).

vi) Income tax demands against which the Company has preferred appeals/rectifications Rs.4,932 thousand (Previous Period Rs 2,751 thousand).

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

i) The name of the Micro, Small and Medium Enterprises suppliers defined under “The Micro, Small and Medium Enterprises Development Act, 2006” could not be identified, as the necessary evidence is not in the possession of the Company.

ii) The name of the Small Scale Undertakings to whom the Company owes a sum exceeding Rs. 100,000 which is outstanding for more than 30 days could not be identified, as the necessary information is not in the possession of the Company.

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

7. The Company has raised Rs. 1,403,325 thousand through an Initial Public Offer (IPO) and as on December 31, 2007, the actual utilisation of the said proceeds of IPO as per the objects clause, as amended by the Company vide its approval at the Extra- Ordinary General Meeting held on January 5, 2007, inter alia to include acquisition of land and setting up of Container Freight Stations/Inland Container Depots and other similar projects thereon at various other locations in India is as follows:

(Rs. in 000’s)

Particulars	Project cost as per Prospectus	Actual utilisation of Funds
Setting up of CFS/ICD in Chennai, Mundra, Indore, Bangalore, GOA, Hyderabad, Delhi and Ahmedabad	797,800	747,119
Repayment of Term Loan	150,000	150,000
General Corporate Expenses including Acquisitions	435,900	425,000
Issue Expenses	105,200	99,926

8. Segment Reporting

(a) Information about Business Segments (Information provided in respect of revenue items for the period ended December 31,2007 and in respect of assets / liabilities as at December 31,2007.

(Rs.in 000's)

Particulars	**Multimodal Transport Operations**		**Container Freight Station**		**Equipment Division**		**Total**	
	This Year	Previous Period	**This Year**	Previous Period	**This Year**	Previous Period	**This Year**	Previous Period
Revenue								
External	2,424,742	1,627,256	934,132	618,637	241,604	—	3,600,478	2,245,893
Add : Inter Segment Revenue	166,157	—	13,411	—	20,000	—	199,568	—
Total Revenue	2,590,899	1,627,256	947,543	618,637	261,604	—	3,800,046	2,245,893
Result Segment Result before interest and tax	228,585	91,099	444,190	349,869	105,216	—	777,992	440,968
Interest Expense							(20,952)	(11,522)
Unallocated Income net of Unallocated expenses							(61,447)	41,758
Profit before Tax and exceptional item							695,595	471,204
Add: Exceptional Item							7,457	42,743
Profit before Tax After exceptional Item							703,052	513,947
Taxes							105,216	83,111
Profit after Tax							597,836	430,836
Segment assets	749617	609,420	1,320,441	727,832	611,802	—	2,681,860	1,337,252
Unallocated Assets							1,989,340	2,294,946
Total Assets							4,671,200	3,632,198
Segment Liabilities	302903	182,143	156,888	95,899	39,530	—	499,321	278,042

Unallocated Liabilities							316,835	126,538
Total Liabilities							816,156	404,580
Total Costs incurred during the year to acquire Segment assets	70,196	20,149	544,591	318,672	350,979	—	965,766	338,821
Segment Depreciation	38,746	17,935	34,006	11,370	67,009	—	139,761	29,305
Secondary segment – Geographical The Company's operating facilities are located only in India								
Domestic Revenues							3,600,478	2,245,893

9. Related Party Disclosures

List of Related parties and Relationships

A) Relationships:

1) Subsidiary Companies : Contech Transport Services (P) Ltd.
Allcargo Belgium N.V.
Hindustan Cargo Ltd.
ECU Line (India) Pvt Ltd
ACM Lines Pty Ltd

2) Fellow Subsidiary Companies: ECU International (Asia) Pvt. Ltd.
ECU-Line Hong Kong Ltd.
ECU Line - Guangzhou
ECU Line Philippines Inc.
ECU Line Singapore Pte. Ltd.
ECU Line (Thailand) Co.
ECU Line Middleeast LLC
ECU Line Abu Dhabi LLC
ECU Line Doha W.L.L.
ECU Line Malaysia ECU-Line (JB) Sdn Bhd
ECU Line Japan Ltd.
ECU-Line Vietnam

		ECU International Far East Ltd.
		ECU-Line Panama S.A.
		ECU-Line Paraguay S.A.
		ECU-Line Peru S.A.
		ECU Logistics do brasil ltda
		ECU-Line Canada Inc.
		ECU Line De Columbia S.A.
		ECU Line Del Ecuador S.A.
		ECU Line Guatemala
		CELM Logistics S.A. De C.V.
		ECU-Line Uruguay
		ELV Multimodal C.A.
		ECU Australia Pvt. Ltd.
		ECU Line New Zealand Ltd.
		ECU Line Denmark A/S
		Scanca Finland
		Scanca Norway
		Scanca Sweden
		ECU-Line (Germany) GmbH
		ECU-Line UK Ltd.
		ECU-Line Polska Sp. z.o.o. UL
		ECU-Line Romania SRL
		ECU International N.V.
		ECU-LINE N.V.
		ECU LINE Rotterdam
		ECU Line Turkey
		ECU Line Meditterranean
		ECU Line Italia SRL
		ECU Line Jordan
		ECU Line Kenya
		ECU Line (IOI) Ltd.
		ECU-Line Malta Ltd.
		ECU Line Maroc
		ECU Line Spain S.L.
		ECU Line Tunesia
		ECU Line Egypt
		ECU LINE SA (Pty.) Ltd.
		ELWA (GH) Ltd.
		ECU Line Algerie
		ECU Line Zimbabwe (Pvt.) Ltd.
		ECU Line Chile SA
		ECU Air
		Cardinal Maritime
		Venezuela AHL
		ECU Logistics SA
		Flamingo Line do Brazil
		IPTS
		AMI Ventures
		CLD
		FT International N.V.
		FT International France
		FT International Rotterdam
3) Joint Venture Company	:	Transworld Logistics & Shipping Services Inc U.S.A
4) Associate Company	:	Transnepal Freight Services pvt. Ltd.
5) Key Management Personnel	:	1) Mr. Shashi Kiran Shetty
		2) Mrs.Arathi Shetty
		3) Mr.Adarsh Hegde

6) Enterprises owned or significantly influenced by its key management personnel or their relatives. : M/s. Allcargo Shipping Services (P) Ltd.
M/s. Avadh Marketing (P) Ltd.
M/s. N.R.Holdings (P) Ltd.
M/s. Trans India Freight (P) Ltd.
M/s. Allcargo Movers (Bombay) (P) Ltd.
M/s. Allnet Infotech (P) Ltd.
M/s. Prominent Estate Holdings (P) Ltd.
M/s. Trans India Freight Services (P) Ltd .
M/s. Jupiter Machines Private Ltd.
M/s. Sealand Cranes (P) Ltd.
M/s. Alltrans Port Management (P) Ltd.
M/s. Indport Maritime Agencies (P) Ltd.
M/s. Alltrans Logistics (P) Ltd.
M/s. Sealand Holdings (P) Ltd.
M/s. Contech Estate (P) Ltd.
M/s. SKS Netgate (P) Ltd.
M/s. Energy Health Spas (P) Ltd.
M/s. Avash Builders (P) Ltd.

B) Transactions with Related Parties:

(Rs. in 000's)

Sr. No.	Transactions	Subsidiary Companies	Fellow Subsidiary	Joint Venture Company	Associate Companies	Key Management Personnel	Enterprises Owned or Significantly Influenced by its key Management Personnel or their relatives
1	Interest Received	—	—	—	—	—	378
2	Rent Received	68	618	—	—	—	—
3	MTO Income	9,161	835,518	150,980	—	—	—
4	Business Service Charges	—	—	—	—	—	900
5	Rent Paid	—	—	—	—	18,416	32,254
6	Remuneration to Directors/ Commission paid	—	—	—	—	37,434	—
7	Car Hire charges	—	—	—	—	900	—
8	MTO Operation Expenses	12,830	1,027,895	73,414	—	—	—
9	Outstanding payables	1,066	26,479	—	—	9,000	287
10	Loans given	30,150	—	—	—	—	—
11	Outstanding receivables	8,749	82,412	5,003	60	—	3,500
12	Advances / Deposits paid	2,067	—	—	60	—	—
13	Management Fees received	—	9,325	—	—	—	—
14	Rent Deposit paid	—	—	—	—	—	36,889
15	Professional fees paid	—	—	—	—	810	698
16	Business support charges received	—	12,045	—	—	—	—
17	Reimbursement of expenses received	195	—	—	—	—	—
18	Loan received	—	—	—	—	13,000	—
19	Loan repaid	—	—	—	—	13,000	272
20	Interest paid	—	—	—	—	—	21

10. Estimated amount of Contract remaining to be executed on capital account and not provided for Rs 110,159 thousand (Previous Period Rs137,991 thousand).

11. The Company has changed the method of charging depreciation for Commercial vehicles given on lease from Written down value method to Straight line method for more appropriate presentation in the financial statements. Upto the period ended December 31,2006, the Company had been accounting for depreciation on these Assets based on written down value method. During the current year ended December 31, 2007, the Company has revised its accounting policy of providing depreciation from written down Value method to Straight line method. The change in the above accounting policy has resulted in a surplus of Rs.33,366 thousand, tax debit of Rs.11,341 thousand on account of Deferred tax relating to the previous years and current tax debit of Rs.3,780 thousand. Consequently, the net profit for the current year is higher by Rs.18,244 thousand. Had the Company followed the written down value basis of depreciation accounting the value of the fixed assets would have been lower by Rs. 33,366 thousand,the value of the reserves and surplus would have been lower by Rs.18,244 thousand and the value of MAT Credit Entitlement would have been higher by Rs. 3,780 thousand.

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

(Rs in 000's)

	This Year	Previous Period
Profit for the year before tax and exceptional Items		
As per Profit & Loss Account	**662,227**	471,204
Add : Directors Remuneration	**25,569**	14,712
Directors sitting fees	**735**	160
Loss on sale of Investments	**—**	92
Loss on sale of Assets	**—**	678
Depreciation as per accounts	**142,019**	29,305
Provision for doubtful debts	**2,567**	—
Profit on sale of Assets as per Section 349 of the Companies Act 1956	**160**	—
	833,277	516,151
Less : Profit on sale of Assets	**160**	—
Profit on sale of Investments	**25,464**	30,259
Loss on sale of Assets under section 350 of the Companies Act, 1956	**—**	678
Depreciation under section 350 Of the Companies Act, 1956	**142,019**	29,305
	167,643	60,242
Net Profit for the purpose of Director's Remuneration	**665,634**	455,909
Managerial Remuneration to Managing and Executive Directors @ 10% of the net profits	**66,563**	45,591
Managerial Remuneration Paid/Payable	**22,969**	14,712
Commission to Non Executive Independant Directors @ 1 % of the net profits	**6,656**	4,559
Commission to Non Executive Independent Directors Paid/ payable	**2,600**	—

13. Managerial Remuneration

Remuneration paid to Managing Director/Whole-time Director

(Rs in 000's)

	This Year	Previous Period
Salary	**13,051**	5,950
Contribution to Funds	**918**	648
Value of Perquisites	**—**	614
Commission	**9,000**	7,500
	22,969	14,712
Remuneration to non Executive Independant Director	**2,600**	—
Sitting Fees	**735**	160
	26,304	14,872

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

14. As the Company is not engaged in manufacturing, trading or processing activities, Quantitative information required by para - 3 and 4c of the part II of section IV of the Companies Act, 1956 is not given.

15. Value of Imports calculated on CIF basis in respect of Capital Goods is Rs.327,628 thousand (Previous Period Rs. 41,483 thousand)

16. Disclosure for lease

Company's lease agreements are mainly in respect of operating leases taken for offices, residential premises and warehouse. The lease agreements are for a period ranging from eleven months to nine years. The lease agreements are cancellable at the option of either party by giving one month to six month's notice. The Company has given refundable interest free security deposits for certain agreements. Certain agreements provide for increase in Lease rent. Some of the agreements provide for renewal of lease by mutual consent. Lease payments recognised in the Profit and Loss Account are Rs.23,671 thousand (Previous period Rs.9,253 thousand.)

The Company has leased out an office premise. The lease rental income recognised in the Profit and Loss Account is Rs.618 thousand.(Previous period 1,854 thousand) The Gross value of the Leased Asset is Rs.20,917 thousand (Previous period Rs.20,917 thousand). Accummulated depreciation of the Leased Asset is Rs.758 thousand (Previous period Rs. 674 thousand).The depreciation recognised in the statement of Profit and Loss account for the year is Rs.84 thousand (Previous period Rs. 241 thousand) and the depreciation write back recognised in the statement of Profit & Loss account is Nil (Previous period 875 thousand)

17. Retirement Benefits

Hitherto the Company was recognizing the provision for the employee retirement benefits as per the Accounting Standard 15 "Accounting for Retirement Benefits". During the period, the Company has adopted Accounting Standard 15 (Revised 2005) "Employee Benefits". Further the incremental liability at the beginning of the period was not material and hence has been adjusted in profit and loss account for the period.

a. Acturial valuation of Gratuity (Funded) have been done with the following assumptions :

I. Assumptions :	**This Year**
Discount Rate	**8.00%**
Rate of Return on Plan Assets	**8.00%**
Salary Escalation	**6.00%**

	(Rs in 000's)
II. Change in the present value Obligation :	**This Year**
Liability at the beginning of the year	**6,033**
Interest Cost	**588**
Current Service Cost	**2,087**
Past Service Cost (Non Vested Benefit)	—
Past Service Cost (Vested Benefit)	—
Liability Transfer in	—
Liability transfer out	—
Benefit Paid	**(688)**
Actuarial (gain)/loss on obligations	**(235)**
Liability at the end of the year	**7,785**
III. Change in the Fair value of Plan Assets :	
Fair Value of Plan Assets at the beginning of the year	**5,013**
Expected Return on Plan Assets	**468**
Contributions	**1,416**
Transfer from other company	—
Transfer to other company	—
Benefit Paid	**(688)**
Actuarial gain/(loss) on Plan Assets	**121**
Fair Value of Plan Assets at the end of the year	**6,330**
Total Actuarial Gain/(Loss) To Be Recognised	**356**
IV. Actual Return on Plan Assets :	
Expected Return on Plan Assets	**468**
Actuarial gain/(loss) on Plan Assets	**121**
Actual Return on Plan Assets	**589**
V. Amount Recognised in the Balance Sheet :	
Liability at the end of the year	**7,785**
Fair Value of Plan Assets at the end of the year	**6,330**
Difference	**(1,455)**
Unrecognised Past Service Cost	—
Un recognised Transition Liability	—
Amount Recognised in the Balance Sheet	**(1,455)**
VI. Expenses Recognised in the Income Statement :	
Current Service Cost	**2,087**
Interest Cost	**588**
Expected Return on Plan Assets	**(468)**
Past Service Cost (Non Vested Benefit) Recognised	—
Past Service Cost (Vested Benefit) Recognised	—
Recognition of Transition Liability	—
Acturial Gain or Loss	**(356)**
Expense Recognised in P& L	**1,851**

(Rs in 000's)

VII. Balance Sheet Reconciliation	**This Year**
Opening Net Liability	**1,021**
Expense as above	**1,851**
Transfer from other company	**—**
Transfer to other company	**—**
Employers Contribution	**1,416**
Amount Recognised in Balance Sheet	**1,455**

VIII. Category of Assets	
Government of India Assets	**—**
Corporate Bonds	**—**
Special Deposits Scheme	**—**
State Govt	**—**
Property	**—**
Other	**—**
Insurer Managed Funds	**6,330**
Total	**6,330**

b) The Amounts recognized in respect of unfunded obligations:

Amount recognized in the balance sheet in respect of leave liability	**Rs. 6,286**
Amount recognized in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of leave liability	**Rs. 6,139**

18. MAT Entitlement

During the year, the Company has made provision for Minimum Alternate Tax (MAT) of Rs. 81,154 thousand Considering the future expected benfits, the Company has recognised Rs. 26,692 thousand as MAT entitlement credit representing excess of MAT provision over current tax.

19. Earnings in Foreign Exchange

	This Year	Previous Period
Dividend	**1,090**	—
Multimodal Transport Operations	**217,523**	119,796
Equipment hire	**855**	—
Profit on sale of shares	**7,457**	215

20. Expenditure in foreign currency

Professional Fees	**1,331**	1,150
Other Expenditures	**224,341**	140,140

21. Dividend remitted in foreign currency

No. of Non Resident Shareholders	**66**	53
No. of shares held	**1,662,168**	1,752,889
Interim Dividend remitted	**—**	—

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

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

	This Year	Previous Period
Deferred Tax Liability		
Difference in Block of Assets	**104,816**	33,714
Deferred Tax Assets:		
Fiscal and other disallowances	**3,224**	796
Deferred Tax Liability (Net)	**101,592**	32,918

23. Earnings per Share:

a)	Net Profit available for Equity Shareholders before exceptional items (Rupees in 000's)	556,989	387,193
b)	Net Profit available for Equity Shareholders after exceptional items (Rupees in 000's)	597,811	429,935
c)	Weighted average no. of equity shares		
	Basic	22,358,925	19,688,845
	Stock options outstanding	40,856	48,910
	Diluted	22,399,781	19,737,755
d)	Paid up value per share	10/-	10/-
e)	Earnings per share before exceptional items (Rs.)		
	Basic	24.91	19.67
	Diluted	24.87	19.62
f)	Earnings per share after exceptional items (Rs.)		
	Basic	26.74	21.84
	Diluted	26.69	21.78

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

I REGISTRATION DETAILS

Registration No: 73508 State Code: 11

Balance Sheet Date: 31 12 2007

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN '000)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

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

Total Liabilities	Total Assets
4200428	4200428

Sources of Funds

Paid-up Capital	Reserves and Surplus
223589	3616454
Secured Loans	**Unsecured Loans**
243792	NIL

Application of Funds

Net Fixed Assets	Assets / Investments
2506037	1140591
Net Current Assets	**Miscellaneous Expenditure**
552894	906
Accumulated Profit	
942366	

IV PERFORMANCE OF THE COMPANY

Turnover	Total Expenditure
3645315	2983086
Profit Before Tax	**Profit After Tax**
703052	597836
Earning Per Share (Rs.)	**Dividend Rate %**
26.74	50

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

Item Code No (ITC Code):

Product Description: SHIPPING

Item Code No (ITC Code):

Product Description: SHIPPING

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE YEAR ENDED DECEMBER 31, 2007

1	**Name of the Subsidiary company**	ECUHOLD N.V.	Allcargo Belgium N.V.	RMK, N.V.	ECU-BRO N.V.	ECU International N.V.	ECU-LINE N.V.	ECU-TRANS N.V.	ECU-LOGISTICS N.V.	ECU-TECH BVBA	D & E Transport	ECU-Line (Germany) GMBH	ECU-Line Malta Ltd.	ECU Line Italia SRL	ECU Line Italy TRC	ECU LINE Rotterdam	Scanca Norway
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2	Financial year ended on	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07
3	**Number of shares held by Allcargo Global Logistics Limited in subsidiary companies at the end of the financial year of the subsidiary company.**																
	(a) Equity shares	49,772	10000	Refer Note 1	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	(b) Preference shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Extent of equity holding	31%	100%	Refer Note 1	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	(d) Extent of preference holding	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	**Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern the members of Allcargo Global Logistics Limited**																

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE YEAR ENDED DECEMBER 31, 2007

1	**Name of the Subsidiary company**	ECU-Line Romania SRL	ECU Line Spain S.L.	Scanca Sweden	ECU Line Turkey	ECU-Line UK Ltd.	ECU Line Denmark A/S	Scanca Finland	ECU-Line Canada Inc.	ECU Line Mediterranean	ECU Line Jordan	Euro Centre - Dubai	ECU Line Middleeast LLC	ECU Line Japan Ltd.	ECU-Line Hong Kong Ltd.	ECU Line Abu Dhabi LLC	ECU Line Malaysia ECU-Line (JB) SDN BHD
		17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
2	Financial year ended on	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07
3	**Number of shares held by Allcargo Global Logistics Limited in subsidiary companies at the end of the financial year of the subsidiary company.**																
	(a) Equity shares	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	(b) Preference shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Extent of equity holding	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	(d) Extent of preference holding	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	**Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern the members of Allcargo Global Logistics Limited**																
	(a) Dealt within the accounts of Allcargo Global Logistics Ltd	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Not Dealt within the accounts of Allcargo Global Logistics Ltd. (Euros in 000s)	4.02	(88.88)	1,055.25	29.62	62.63	(23.74)	143.11	(0.40)	(0.28)	(4.12)	147.22	464.79	(391.24)	(9.48)	47.03	(107.62)
5	**Material changes, if any, between the end of the financial year of the subsidiary and Allcargo Global Logistics Limited.**																
	(a) Fixed assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(b) Investments	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(c) Money lent by	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(d) Money borrowed by it other than for meeting current liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE YEAR ENDED DECEMBER 31, 2007

1	**Name of the Subsidiary company**	ECU Line Singapore Pte. Ltd.	ECU Line (Thailand) Co.Ltd	ECU International (Asia) Pvt. Ltd.	ECU Line - Guangzhou	ECU Line Egypt	ECU Line Doha W.L.L.	ELWA (GH) Ltd.	ECU Line Kenya	ECU LINE SA (Pty.) Ltd.	ECU Line Tunesia	ECU Line Maroc	ECU Line Zimbabwe (Pty.) Ltd.	aECU-Line (Indian Ocean Islands) Ltd.	CELM Logistics S.A. De C.V.	ECU Line Philippines Inc.	Flamingo Line El Salvador
		33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
2	Financial year ended on	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07
3	**Number of shares held by Allcargo Global Logistics Limited in subsidiary companies at the end of the financial year of the subsidiary company.**																
	(a) Equity shares	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	(b) Preference shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Extent of equity holding	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	(d) Extent of preference holding	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	**Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern the members of Allcargo Global Logistics Limited**																
	(a) Dealt within the accounts of Allcargo Global Logistics Ltd	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Not Dealt within the accounts of Allcargo Global Logistics Ltd. (Euros in 000s)	193.36	123.90	(10.77)	17.27	4.38	13.85	11.04	38.38	100.45	(56.79)	36.14	—	21.34	1.07	12.88	1.81
5	**Material changes, if any, between the end of the financial year of the subsidiary and Allcargo Global Logistics Limited.**																
	(a) Fixed assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(b) Investments	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(c) Money lent by	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(d) Money borrowed by it other than for meeting current liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE YEAR ENDED DECEMBER 31, 2007

1	**Name of the Subsidiary company**	ECU Australia Pvt. Ltd.	ECU Line New Zealand Ltd.	ECU Line Ivory Coast	ECU-Line Polska Sp. z.o.o. UL	ECU Logistics do brasil ltda	Flamingo Line do Brazil	ECU Line Chile S.A.	ECU Line De Columbia S.A.	E.L. Costa Rica	ECU Line Del Ecuador S.A.	Conecli International	ECU Line Guatemala	ECU-Line Panama S.A.	ECU-Line Paraguay S.A.	ECU-Line Peru S.A.	ECU-Line Uruguay
		49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64
2	Financial year ended on	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07
3	**Number of shares held by Allcargo Global Logistics Limited in subsidiary companies at the end of the financial year of the subsidiary company.**																
	(a) Equity shares	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	(b) Preference shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Extent of equity holding	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	(d) Extent of preference holding	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	**Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern the members of Allcargo Global Logistics Limited**																
	(a) Dealt within the accounts of Allcargo Global Logistics Ltd	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Not Dealt within the accounts of Allcargo Global Logistics Ltd. (Euros in 000s)	82.59	38.70	43.21	20.42	(432.29)	(218.15)	(32.44)	46.53	—	(65.64)	(16.02)	(34.08)	33.75	1.29	32.46	14.34
5	**Material changes, if any, between the end of the financial year of the subsidiary and Allcargo Global Logistics Limited.**																
	(a) Fixed assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(b) Investments	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(c) Money lent by	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(d) Money borrowed by it other than for meeting current liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE YEAR ENDED DECEMBER 31, 2007

1	**Name of the Subsidiary company**	ELV Multimodal C.A.	Venezuela - AHL	ECU Line Algerie	ECU-Line Vietnam	Mediterranean Cargo Centers S.L.	Flamingo Line Chile	ECU International Far East Ltd	ECU Air - 2007	Flamingo Line Peru	IPTS	AMI Ventures	CLD	Bra CFS	Ecu Logistics SA	Contech Transport Services Pvt. Ltd.	Hindustan Cargo Ltd
		65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80
2	Financial year ended on	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07
3	**Number of shares held by Allcargo Global Logistics Limited in subsidiary companies at the end of the financial year of the subsidiary company.**																
	(a) Equity shares	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	10,000	250,000
	(b) Preference shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Extent of equity holding	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	100%	100%
	(d) Extent of preference holding	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	**Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern the members of Allcargo Global Logistics Limited**																
	(a) Dealt within the accounts of Allcargo Global Logistics Ltd	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Not Dealt within the accounts of Allcargo Global Logistics Ltd. (Euros in 000s)	100.27	27.01	23.07	125.85	(240.20)	11.16	56.02	88.42	4.29	(0.01)	663.42	—	903.47	39.86	0.23	6.11
5	**Material changes, if any, between the end of the financial year of the subsidiary and Allcargo Global Logistics Limited.**																
	(a) Fixed assets	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(b) Investments	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(c) Money lent by	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(d) Money borrowed by it other than for meeting current liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE YEAR ENDED DECEMBER 31, 2007

1	**Name of the Subsidiary company**	ECU Line (India) Private Limited	ECU Line Miami	ACM Lines (Pty) Ltd	Cardinal Maritime	FT International NV	FT International France	FT International Rotterdam	Rotterdam Freight Station BV	Ecu Shipping Logistic (K) Ltd
		81	82	83	84	85	86	87	88	89
2	Financial year ended on	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07	31.12.07
3	**Number of shares held by Allcargo Global Logistics Limited in subsidiary companies at the end of the financial year of the subsidiary company.**									
	(a) Equity shares	9,999	—	50,000	—	Refer Note 3	Refer Note 4	Refer Note 4	18,000	Refer Note 5
	(b) Preference shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Extent of equity holding	99.99%	—	50%	—	Refer Note 3	Refer Note 4	Refer Note 4	100%	Refer Note 5
	(d) Extent of preference holding	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	**Net aggregate amount of profit/(losses) of the subsidiary for the above financial year so far as they concern the members of Allcargo Global Logistics Limited**									
	(a) Dealt within the accounts of Allcargo Global Logistics Ltd	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Not Dealt within the accounts of Allcargo Global Logistics Ltd. (Euros in 000s)	Nil	0.001	0.008	(0.019)	(0.005)	(0.014)	(0.002)	(0.015)	Nil
5	**Material changes, if any, between the end of the financial year of the subsidiary and Allcargo Global Logistics Limited.**									
	(a) Fixed assets	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(b) Investments	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(c) Money lent by	NA	NA	NA	NA	NA	NA	NA	NA	NA
	(d) Money borrowed by it other than for meeting current liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note :

1. Allcargo Belgium holds : 30,500 Equity Shares of Euro 19.5537 each in ECU Hold NV constituting 18.99 % of its paid up capital & 10,000 Equity shares of Euro 1646.72 each in RMK constituting 100% of its paid up capital.

2. ECU Hold NV holds :105 Equity shares of Euro 743.81 each in ECU Bro constituting 100% of its paid up capital, 2,500 Equity shares of Euro 24.80 each in ECU International NV constituting 100% of its paid up capital, 970 Equity shares of Euro 1,278.35 each in ECU Line NV constituting 100% of its paid up capital, 500 Equity shares of Euro 248 each in ECU Trans constituting 100% of its paid up capital, 27,750Equity shares of Euro 24.79 each in ECU Logistics constituting 100% of its paid up capital,750Equity shares of Euro 24.79 each in ECU Tech constituting 100% of its paid up capital,620 Equity shares of Euro 100 each in D&E constituting 100% of its paid up capital, 1,830 Equity shares of Euro 511.29 each in ECU Line Germany constituting 100% of its paid up capital, 5,000 Equity shares of MTL 1 each in ECU Line Malta constituting 100% of its paid up capital, Nil Equity shares of Euro 60,000 in ECU Line Italy constituting 100% of its paid up capital, Nil Equity shares of Euro 55,000 in TRC Italy constituting 100% of its paid up capital, 85,400 Equity shares of Euro 10 each in ECU Line Rotterdam constituting 100% of its paid up capital, 200 Equity shares of NOK 500 each in ECU Line Norway constituting 100% of its paid up capital, 100 Equity shares of RON 53 each in ECU Line Romania constituting 100% of its paid up capital, 200,000 Equity shares of Euro 0.61 each in ECU Line Spain constituting 100% of its paid up capital, 3,000 Equity shares of SEK 100 each in ECU Line Sweden constituting 100% of its paid up capital, 1,200 Equity shares of TRY 174.43 each in ECU Line Turkey constituting 100% of its paid up capital, 700,100 Equity shares of £ 1 each in ECU Line UK constituting 100% of its paid up capital, 500 Equity shares of DKK 1,000 each in ECU Line Denmark constituting 100% of its paid up capital, 800 Equity shares of Euro 22 each in ECU Line Finland constituting 100% of its paid up capital, 50 Equity shares of CAD 1 each in ECU Line Canada constituting 50% of its paid up capital, 2,750 Equity shares of CYP 1 each in ECU Line Mediterrinean constituting 55% of its paid up capital, 30,000 Equity shares of JOD 1 each in ECU Line Jordan constituting 100% of its paid up capital, 72 Equity shares of AED 13,000 each in Eurocentre Dubai constituting 72% of its paid up capital, 216 Equity shares of AED 1,000 each in ECU Line Middle East constituting 72% of its paid up capital, 390 Equity shares of JPY 50,000 each in ECU Line Japan constituting 65% of its paid up capital, 900,000 Equity shares of HKD 1 each in ECU Line Hong Kong constituting 60% of its paid up capital, 51 Equity shares of AED 1,500 each in ECU Line Abu Dhabi constituting 51% of its paid up capital, 170,000 Equity shares of MYR 1 each in ECU Line Malaysia constituting 85% of its paid up capital, 250,000 Equity shares of SGD 1 each in ECU Line Singapore constituting 100% of its paid up capital, 26,000 Equity shares of THB 100 each in ECU Line Thailand constituting 52% of its paid up capital, 52,341 Equity shares of Rs. 10 each in ECU Intl.Asia constituting 100% of its paid up capital, 3,015,898 Equity shares of CNY 1 each in ECU Line Guangzhou constituting 60% of its paid up capital, 27,500 Equity shares of EGP 1 each in ECU Line Egypt constituting 55% of its paid up capital, 100 Equity shares of QAR 2,000 each in ECU Line Doha constituting 100% of its paid up capital, 10,000 Equity shares of GHC 2,727 each in ECU Line Ghana constituting 100% of its paid up capital, 656 Equity shares of KES 5,000 each in ECU Line Kenya constituting 82% of its paid up capital, 75 Equity shares of ZAR 1 each in ECU Line South Africa constituting 75% of its paid up capital, 100 Equity shares of TND 100 each in ECU Line Tunesia constituting 100% of its paid up capital, 3,500 Equity shares of MAD 100 each in ECU Line Marocco constituting 100% of its paid up capital, 382,200 Equity shares of ZWD 0.02 each in ECU Line Zimbabwe constituting 70% of its paid up capital, 405 Equity shares of MUR 1,000 each in ECU Line Mauritius constituting 60% of its paid up capital & 50,000 Equity shares of MXP 1 each in CELM Logistics constituting 100% of its paid up capital, 500 Equity shares of PHP 10,000 each in ECU Line Philippines constituting 100% of its paid up capital, 800 Equity shares of USD 11.43 each in ECU Line EL Salvador constituting 67% of its paid up capital, 60,000 Equity shares of AUD 1 each in ECU Line Australia constituting 60% of its paid up capital, 63,000 Equity shares of NZD 1 each in ECU Line Newzealand constituting 60% of its paid up capital, 100 Equity shares of XOF 10,000 each in ECU Line Ivory coast constituting 100% of its paid up capital, 80 Equity shares of PLN 625 each in ECU Line Poland constituting 100% of its paid up capital, 54,500 Equity shares of BRL 1 each in ECU Logistics Brazil constituting 100% of its paid up capital, 50,000 Equity shares of BRL 1,. each in Flamingo Line Brazil constituting 100% of its paid up capital, 35,562 Equity shares of CLP 1,139.43 each in ECU Line Chile constituting 100% of its paid up capital, 366,000 Equity shares of CLP 1,000 each in ECU Line Colombia constituting 66.67% of its paid up capital, 100 Equity shares of CRC 200 each in ECU Line Costa Rica constituting 100% of its paid up capital, 450 Equity shares of USD 4 each in ECU Line Ecuador constituting 100% of its paid up capital, 100 Equity shares of CRC 200 each in Conecli constituting 100% of its paid up capital, 34 Equity shares of GTQ 100 each in ECU Line Guatemala constituting 67% of its paid up capital, 25 Equity shares of USD 1,000 each in ECU Line Panama constituting 100% of its paid up capital, 5 Equity shares of PYG 10 million each in ECU Line Paraguay constituting 100% of its paid up capital, 3,801 Equity shares of PEN 10 each in ECU Line Peru constituting 70% of its paid up capital, 36,000 Equity shares of UYP 0.001 each in Deolix S.A. (Uruguay) constituting 50% of its paid up capital, 24,000 Equity shares of VEB 1,000 each in ECU Line Venezuela constituting 100% of its paid up capital, 1,000 Equity shares of VEB 1,000 each in ECU Line Administradora House Line constituting 100% of its paid up capital, 1,000 Equity shares of DZD 1,000 each in ECU Line Algeria constituting 100% of its paid up capital, 812,022,000 Equity shares of VND 1 each in ECU Line Vietnam constituting 51% of its paid up capital, 9,600 Equity shares of Euro 10 each in Spain MCC constituting 80% of its paid up capital, 1000 Equity shares of 1 USD each, in AMI ventures through its various subsidairy

3. RMK NV holds : 80,274 Equity shares of Euro 19.5537 each in ECU Hold NV, 5,000 Equity Shares of Euro 23.4 each in FT International NV constituting 100% of its paid up capital.

4. FTL International NV holds : 1,800 Equity shares of Euro 18 each in FT International Rotterdam constituting 100% of its paid up capital, 1,000 Equity shares of Euro 39 each in FT International France constituting 100% of its paid up capital.

5. ECU Line Kenya holds : 495 Equity shares of KES 1,000 each constituting 99% of its paid up capital.

6. **Allcargo Global Logistics Ltd. holds :** AGL holds 202 Equity shares of MUR 1,000 each in ECU Line Mauritius constituting 30% of its paid up capital,

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

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

1. We have audited the attached Consolidated Balance Sheet of **Allcargo Global Logistics Limited** ("the Company") and its subsidiaries (together referred to as "the Group'', as described in Schedule 21, Note 6) as at December 31, 2007, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluation of the overall financial statement presentation. We believe that our audit and the reports of other auditors provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries whose financial statements reflect the Group's share of total assets of Rs.4,235,495 thousand as at December 31, 2007 and the Group's share of total revenues of Rs.12,829,941 thousand for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of other auditors.
4. We did not audit the financial statements of ECU Line India Private Limited, FT International N.V. Belgium, FT International France and FT International Rotterdam whose unaudited financial statements reflect the Group's share of total assets of Rs.105,190 thousand as at December 31, 2007 and Group's share of total revenues of Rs.128,941 thousand for the year ended on that date. These subsidiaries have been consolidated on the basis of such unaudited financial statements
5. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting standard (AS) 21 - Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Allcargo Global Logistics Limited and its subsidiaries included in the Consolidated Financial Statements, other than the subsidiaries referred to in paragraph 4 which have been consolidated on the basis of unaudited financial statements.
6. Reference is drawn to the note 16 of schedule 21, regarding the change in method by the Company of charging depreciation on commercial vehicles given on Lease from written down value method to straight line method for the year ended December 31, 2007. If the Company had continued depreciating the Fixed Assets on written down value method, the Profit after Tax would have been Rs.845,689 thousand instead of Rs. 863,934 thousand , Reserve & Surplus would have been Rs. 4,465,185 thousand instead of Rs.4,483,430 thousand, Fixed Assets would have been Rs. 4,403,482 thousand instead of Rs. 4,436,848 thousand, Deferred Tax Liability would have been Rs. 31,699 thousand instead of Rs.43,040 thousand and the MAT Credit Entitlement would have been Rs.30,472 thousand instead of Rs. 26,692 thousand.
7. On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries other than the subsidiaries referred to in paragraph 4 above which have been consolidated on the basis of unaudited financial statements, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   a) in the case of Consolidated Balance Sheet , of the state of affairs of the Group as at December 31, 2007;
   b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
   c) in the case of the Consolidated Cash Flow Statement, of cash flows of the Group for the year ended on that date.

For Appan & Lokhandwala Associates
Chartered Accountants

SP.Palaniappan
Partner
Membership No: 38378

Place : Mumbai
Dated : June 26, 2008

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2007

(Rs. in 000's)

	Schedule	This year		Previous period
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	1	**223,889**		202,858
Employee Stock Options Outstanding	2	**15,001**		7,726
Reserves and Surplus	3	**4,482,764**		3,737,141
			4,721,654	3,947,725
LOAN FUNDS				
Secured Loans	4		**1,250,431**	684,785
Unsecured Loans			**12,088**	91,056
DEFERRED TAX LIABILITY (NET)			**44,424**	(12,893)
MINORITY INTEREST			**85,717**	52,565
			6,114,314	4,763,238
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	**5,580,633**		3,407,675
Less : Depreciation		**1,143,785**		670,006
Net Block		**4,436,848**		2,737,669
Capital Work In Progress		**405,169**		340,049
			4,842,017	3,077,718
INVESTMENTS	6		**64,655**	577,874
CURRENT ASSETS, LOANS AND ADVANCES				
A. Current Assets				
Interest Accrued on Investment		**312**		154
Spares and Consumables		**14,652**		—
Sundry Debtors	7	**2,271,338**		1,860,800
Cash and Bank Balances	8	**631,315**		450,303
B. Loans and Advances	9	**719,278**		808,353
		3,636,895		3,119,610
CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities	10	**2,290,108**		1,945,151
B. Provisions	11	**144,849**		72,807
		2,434,957		2,017,958
NET CURRENT ASSETS			**1,201,938**	1,101,652
MISCELLANEOUS EXPENDITURE	12		**5,704**	5,994
(to the extent not written off or adjusted)				
			6,114,314	4,763,238
Significant Accounting policies and Notes on Accounts	21			

As per our report of even date

For and on behalf of the Board

For Appan & Lokhandwala Associates
Chartered Accountants

Shashi Kiran Shetty
Chairman and Managing Director

Keki Elavia
Director

SP. Palaniappan
Partner
Membership No. 38378

S. Suryanarayanan
Group Chief Financial Officer

Shailesh Dholakia
Company Secretary

Place : Mumbai
Dated : June 26, 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2007

(Rs. in 000's)

	Schedule		This Year	Previous Period
INCOME				
Operating Income	13		**16,134,631**	8,952,238
Other Income	14		**51,486**	51,693
			16,186,117	9,003,931
EXPENDITURE				
Multimodal Transport Operations	15		**10,139,177**	5,913,777
Container Freight Station	16		**188,555**	211,043
Equipment Hire	17		**69,087**	—
Employee Cost	18		**2,692,243**	1,078,724
Administrative and Selling	19		**1,621,937**	949,300
Interest	20		**123,467**	52,554
Depreciation	5		**252,282**	78,777
Preliminary Expenses Written Off			**2,114**	2,956
			15,088,862	8,287,131
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM			**1,097,255**	716,800
EXCEPTIONAL ITEM				
Earlier years Depreciation written back			**33,366**	42,743
Extraordinary items- Net			**(28,027)**	36,352
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEM			**1,102,594**	795,895
Provision For Taxation				
Current Tax		**224,372**		104,469
Deferred Tax		**33,428**		67,441
MAT Credit		**(26,692)**		—
Wealth Tax		**106**		95
Fringe Benefit Tax		**7,446**		2,965
			238,660	174,970
PROFIT AFTER TAX			**863,934**	620,925
Tax Adjustment for earlier years			**76**	(908)
PROFIT BEFORE MINORITY INTEREST			**864,010**	620,017
Profit attributable to Minority Interest			**98,419**	(16,495)
PROFIT AFTER MINORITY INTEREST			**765,591**	603,522
Balance brought forward from Previous Year			**719,212**	264,625
PROFIT AVAILABLE FOR APPROPRIATIONS			**1,484,803**	868,147
APPROPRIATIONS :				
Interim Dividend Paid			**40,512**	91,151
Tax on Interim Dividend			**6,885**	12,784
Proposed Dividend			**67,088**	—
Tax on Proposed Dividend			**11,402**	—
General Reserve			**75,000**	45,000
Surplus Carried to Balance Sheet			**1,283,916**	719,212
			1,484,803	868,147
EARNING PER SHARE (Rs.)				
Earnings Per Share- Basic				
Before exceptional items			**34.47**	34.67
After exceptional items			**34.23**	30.65
Earnings Per Share- Diluted				
Before exceptional items			**34.41**	34.58
After exceptional items			**34.17**	30.58
Significant Accounting policies and notes on Accounts	21			

As per our report of even date

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan
Partner
Membership No. 38378

Place : Mumbai
Dated : June 26, 2008

For and on behalf of the Board

Shashi Kiran Shetty
Chairman and Managing Director

Keki Elavia
Director

S. Suryanarayanan
Group Chief Financial Officer

Shailesh Dholakia
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2007

(Rs. in 000's)

Particulars	This Year	Previous Period
A. Cash Flow from Operating Activities		
Net Profit Before Tax and After Exceptional/Extraordinary Items	**1,102,594**	795,895
Depreciation	**218,916**	36,034
Loss on Sale of Fixed Assets	**3,359**	678
Preliminary Expenses written off	**2,114**	2,956
Interest Payments	**123,467**	52,554
Employees compensation expenses	**7,276**	5,753
Foreign exchange loss/(gain)	**(64,606)**	(6,601)
Interest Received	**(31,343)**	(16,667)
Profit on Sale of Assets	**(332)**	—
Profit on Sale of Shares	**(18,007)**	(30,167)
Provisions for Liabilities	**5,932**	(1,685)
Dividend	**(1,149)**	(2,913)
Operating Profit before Working Capital Changes	**1,348,221**	835,837
Adjustment for:		
Increase/Decrease in Trade and Other receivables	**(91,863)**	(2,254,053)
Increase/Decrease in Trade Payables and Other liabilities	**178,159**	1,752,385
Direct Taxes Paid	**(188,059)**	(72,029)
Net Cash from Operating Activities	**1,246,458**	262,140
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets (Including Capital Advances)	**(1,632,788)**	(1,175,427)
Acquisition of subsidiaries-Net	**(309,029)**	(1,005,201)
Purchase of Investments	**(38,441)**	(3,516,865)
Sale of Investments	**571,029**	3,759,012
Sale of Fixed Assets	**217,870**	18,022
Interest Received	**31,343**	16,667
Dividend	**1,149**	2,913
Exchange Fluctuation Reserve	**(24,148)**	(29,652)
Net Cash from Investing Activities	**(1,183,015)**	(1,930,531)
C. Cash Flow from Financing Activities		
Receipt / Payment of Loans	**331,803**	550,520
Preliminary Expenses Incurred	**(1,824)**	—
Share issue expenses incurred	**—**	(102,576)
Proposed Dividend	**—**	(30,384)
Tax on Proposed Dividend	**—**	(4,261)
Interim Dividend	**(81,024)**	(50,640)
Tax on Interim Dividend	**(12,567)**	(7,102)
Issue of Share Capital including Premium	**—**	1,403,325
Interest Paid on Loans	**(123,467)**	(52,554)
Net Cash from Financing Activities	**112,921**	1,706,328
Net Increase in Cash and Cash Equivalent (A+B+C)	**176,364**	37,937
Cash and Cash Equivalent at the beginning of year	**450,303**	412,366
Cash and Cash Equivalent of Merged undertaking at the beginning of the year	**4,648**	—
Cash and Cash Equivalent at the end of the year	**631,315**	450,303

As per our report of even date

For and on behalf of the Board

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan
Partner
Membership No. 38378

Shashi Kiran Shetty
Chairman and Managing Director

Keki Elavia
Director

S. Suryanarayanan
Group Chief Financial Officer

Shailesh Dholakia
Company Secretary

Place : Mumbai
Dated : June 26, 2008

(Rs. in 000's)

Schedule		This Year	Previous Period
1	**SHARE CAPITAL**		
	Authorised		
	30,000,000 Equity Shares of Rs. 10/- each	**300,000**	210,000
	(Pr. Yr. 21,000,000 Equity Shares of Rs. 10/- each.)		
	3,000 13% Non-cumulative Redeemable Preference Shares of Rs.100/- each	**300**	300
		300,300	210,300
	Issued, Subscribed and Paid up Capital		
	20,255,845 Equity Shares of Rs.10/- each fully paid	**202,558**	202,558
	3,000 13% Non Cumulative Reedemable Preference Shares of Rs.100/- each fully paid	**300**	300
	Share Capital Suspense	**21,031**	—
		223,889	202,858
2	**EMPLOYEES STOCK OPTIONS OUTSTANDING**		
	Employee Stock Option Outstanding	**25,299**	29,692
	Less : Deferred Employee Compensation Expenses	**10,298**	21,966
		15,001	7,726
3	**RESERVES AND SURPLUS**		
	Securities Premium Account	**2,088,607**	2,088,607
	General Reserves	**585,482**	383,286
	Revaluation Reserve	**2,578**	1,403
	Exchange Translation Reserve	**(53,735)**	(29,587)
	Capital Redemption Reserve	**300**	300
	Capital Reserve	**575,616**	573,920
	Profit and Loss Account	**1,283,916**	719,212
		4,482,764	3,737,141
4	**LOAN FUNDS**		
	Secured Loans		
	From Banks:		
	a) Working Capital Facilities	**43,105**	—
	(Secured by hypothecation of stores stock, book debts, certain vehicles and guaranteed by Directors)		
	b) Term Loan	**1,206,131**	684,785
	(Secured by Hypothecation of Vehicles & Equipments, Secured loan of Rs.9,579 thousand (P.Y. 28,492 thousand) is guaranteed by Directors)		
	From Others	**1,195**	—
		1,250,431	684,785

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2007

Schedule - 5

FIXED ASSETS

(Rs. in 000's)

Description	GROSS BLOCK					DEPRECIATION/AMORTISATION			NET BLOCK	
	Opening	Additions	Transfer on merger	Deduction / Adjustments	Closing	For the year	Depreciation on Transfer on merger	Closing	**This Year**	Previous Period
Intangible Assets										
Goodwill on Consolidation	1,472,200	310,725	—	—	1,782,925	—	—	—	**1,782,925**	1,472,200
Goodwill	71,589	10,986	—	15,208	67,367	519	—	64,219	**3,148**	1,235
Research and Developments	2,824	288	—	562	2,550	584	—	2,224	**326**	897
Patents & Licences	90,137	70,907	—	7,575	153,469	16,890	—	59,092	**94,377**	36,738
Software Packages	9,392	2,623	—	—	12,015	1,605	—	4,360	**7,655**	7,284
Leasing & Similar Rights	48,716	5,623	—	10,772	43,567	4,114	—	20,351	**23,216**	25,972
Tangible Assets										
Freehold Land	103,088	157,840	—	—	260,928	—	—	—	**260,928**	103,088
Leasehold Land	172,773	34,045	—	1,470	205,348	5,543	—	8,662	**196,686**	169,654
Building	649,402	345,072	30,353	—	1,024,827	32,851	1,156	188,665	**836,162**	520,809
Leasehold improvements	—	3,779	—	—	3,779	594	—	621	**3,158**	—
Plant and Machinery	182,495	107,025	7,394	602	296,312	21,281	1,081	131,874	**164,438**	88,588
Commercial Vehicles										
On Lease	73,166	370,648	167,248	5,998	605,064	70,445	37,701	123,283	**481,781**	24,637
Others	96,561	183,830	205,481	450	485,422	36,059	119,628	158,901	**326,521**	92,968
Other Vehicles	16,111	8,322	7,094	7,197	24,330	2,592	2,416	8,551	**15,779**	11,306
Office Equipments - computers	42,208	27,001	5,289	134	74,364	8,858	3,493	36,800	**37,564**	20,754
Furnitures and Fixtures	342,419	215,976	2,774	51,033	510,136	45,380	733	322,507	**187,629**	144,575
Other Tangible Assets	34,594	24,877	—	31,241	28,230	4,967	—	13,675	**14,555**	16,964
This Year	3,407,675	1,879,567	425,633	132,242	5,580,633	252,282	166,208	1,143,785	**4,436,848**	—
Previous Period	497,977	2,968,793	—	59,095	3,407,675	78,777	—	670,006	**—**	2,737,669
Capital Work-In-Progress									**405,169**	340,049
Total									**4,842,017**	3,077,718

(Rs. in 000's)

Schedule		This Year	Previous Period
6	**INVESTMENTS**		
	I) LONG TERM INVESTMENTS		
	At Cost, fully paid up		
	a) Quoted	909	909
	b) Unquoted	23,805	42,988
	II) CURRENT INVESTMENTS - QUOTED	39,941	533,977
		64,655	577,874
	Aggregate amount of Quoted Investments	909	909
	Aggregate amount of Unquoted Investments	23,805	42,988
	Aggregate amount of Current Investments	39,941	533,977
		64,655	577,874
	Aggregate market value of Quoted Investments	3,308	1,828
	Aggregate market value of Current Investments	42,403	535,426
7	**SUNDRY DEBTORS (Unsecured)**		
	Sundry Debtors	2,280,427	1,861,810
	Less :Provision for Doubtful Debts	9,089	1,010
		2,271,338	1,860,800
8	**CASH AND BANK BALANCES**		
	Cash on Hand	14,148	8,013
	Balances with Scheduled Banks:		
	In Current Accounts	487,769	395,830
	In Fixed Deposit Accounts	129,398	46,460
		631,315	450,303
	Out of the above Rs.205 thousand is in unutilised IPO Funds		
9	**LOANS AND ADVANCES**		
	(Unsecured,considered good unless otherwise stated)		
	Advances Recoverable in cash or kind or for value to be received	713,153	803,485
	Balance with Customs and Ports	6,125	4,868
		719,278	808,353
10	**CURRENT LIABILITIES**		
	Sundry Creditors	1,482,468	1,229,034
	Unpaid Dividend	70	16
	Other Liabilities	807,570	716,101
		2,290,108	1,945,151
11	**PROVISION**		
	For Taxation net of Advance Tax	58,153	25,805
	For Proposed Dividend	67,088	—
	For Tax on Proposed Dividend	11,402	—
	For Retirement Benefits	8,206	808
	For Interim Dividend	—	40,512
	For Tax on Interim Dividend	—	5,682
		144,849	72,807
12	**MISCELLANEOUS EXPENDITURE**		
	Preliminary Expenses	5,704	5,994
		5,704	5,994

(Rs. in 000's)

Schedule		This Year	Previous Period
13	**OPERATING INCOME**		
	Mutimodal Transport Operations	**14,958,895**	8,320,401
	Contanier Freight Station	**934,132**	618,637
	Equipment Hire	**241,604**	13,200
		16,134,631	8,952,238
14	**OTHER INCOME**		
	Interest (Gross of tax deducted at source Rs. 666750 (P.Y. Rs. 828958))	**31,343**	16,667
	Profit on sale of Assets	**332**	—
	Profit on sale of Investments	**18,007**	30,259
	Dividend	**1,149**	2,913
	Rent received	**618**	1,854
	Others	**37**	—
		51,486	51,693
15	**MULTIMODAL TRANSPORT OPERATIONS**		
	Operating Expenses	**9,436,434**	5,662,118
	Claims and Compensation	**13,024**	1,696
	Documentation charges	**16,347**	3,694
	Break bulk Expenses	**147,154**	114,225
	Insurance	**6,958**	2,188
	Import Delivery Order Charges	**46,597**	38,774
	Air Freight Expenses	**226,907**	23,195
	Space Reservation Charges	**9,436**	8,571
	Fuel expenses	**95,779**	—
	Vehicle Repairs	**32,618**	—
	Spares consumed	**32,710**	—
	Others	**75,213**	59,316
		10,139,177	5,913,777
16	**CONTAINER FREIGHT STATION**		
	Power & Fuel	**30,762**	18,529
	Container Transportation Charges	**28,707**	115,725
	Equipment Hire Charges	**1,166**	28,161
	Repairs & Maintanance-Others	**13,538**	9,188
	Others Expenses	**114,382**	39,440
		188,555	211,043
17	**EQUIPMENT HIRE**		
	Spares Consumed	**23,056**	—
	Fuel Expenses	**16,613**	—
	Hiring Expenses	**4,457**	—
	Insurance	**281**	—
	Repairs & Maintenance - Others	**17,047**	—
	Other Expenses	**7,633**	—
		69,087	—

(Rs. in 000's)

Schedule		This Year	Previous Period
18	**EMPLOYEE COST**		
	Salaries & Others Benefits	**2,608,157**	1,059,414
	Contribution to Provident & others funds	**12,605**	3,823
	Gratuity	**2,437**	1,382
	Staff Welfare Expenses	**69,044**	14,105
		2,692,243	1,078,724
19	**ADMINISTRATIVE AND SELLING**		
	Others Expenses	**1,592,876**	929,184
	Payment to Auditors	**29,061**	20,116
		1,621,937	949,300
20	**INTEREST**		
	On Fixed Loans	**74,346**	10,724
	On Bank Overdrafts	**47,099**	778
	On Inter Corporate Deposits	**2,022**	—
	Other Interest	**—**	41,052
		123,467	52,554

Schedule 21

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

I. Statement of Significant Accounting Policies

1. Accounting Conventions :

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

2. Fixed Assets :

2.1 Fixed assets are recorded at cost less accumulated depreciation/amortisation and impairment loss, if any.

2.2 Cost includes purchase price and any attributable cost of bringing the asset to its applicable use.

2.3 Interest on loan utilized for construction of fixed assets for the new projects upto the date of commencement of commercial production, is capitlized.

3. Asset Impairment :

The carrying values of tangible and intangible assets are reviewed for any possible impairment at each Balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount the estimated future cash flows are discounted to their present value at appropriate discount rate.

4. Depreciation :

A. Foreign Subsidiaries :

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

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

2. In case of foreign subsidiaries, Intangible assets are amortised at minimum rate of 20% a year . Goodwill is amortised according to the rules defined by the Board of Directors on a case by case basis over a maximum period of ten years.

B. Indian Companies

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

5. Investments :

5.1 Long Term Investments are carried at cost. Provision for dimunition, if any, in the value of each long term investment is made to recognise a decline, other than of a temporary nature. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

5.2 Current Investments are carried at lower of cost and fair value.

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

6. **Inventories :**

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

7. **Expenditure during construction period :**

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

8. **Borrowing Cost :**

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

9. **Miscellaneous Expenses :**

In case of foreign subsidiaries preliminary expenses are amortised over a period of 5 years unless they are accounted for in the Profit and Loss account in the year in which they are made. In other cases preliminary expenses are amortised over a period of 5 years.

10. **Revenue Recognition :**

10.1 Multimodal Transport Income and Multimodal Transport expenses are recognised on the basis of sailing of vessels and completion of transport as per contractual terms.

10.2 Income from Container Freight Station operations relating to export containers is accounted on accrual basis. A Container Freight Station ground rent charge on import stuffed containers is accounted to the extent of recoverability from carriers of containers. Import cargo handling charges are accounted on clearance.

10.3 Revenue and expenses for sale of abandoned cargo are recognized when auctioned. Surplus, if any, out of auctions is credited to a separate account "Auction Surplus" and is shown under current liabilities. Unclaimed auction surplus outstanding for more than one year is written back as income in the subsequent financial year.

10.4 On equipment hiring activities, revenue is recognized as per contractual terms.

11. **Employees' Retirement benefit :**

A. Foreign Subsidiaries

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

B. Indian Companies

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

12. **Employee Stock Option Plan :**

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

13. **Taxes on Income :**

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

14. Foreign Currency Transaction :

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

15. Leases :

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

16. Segment Reporting :

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

II. Notes forming part of Accounts

1. Figures in rupees have been rounded off to the nearest thousands.
2. Previous period figures are regrouped wherever necessary to conform to this year's classification. Previous period figures are not comparable to those of current year as the previous year was for a period of nine months and due to merger of the Project and Equipment Division of Transindia Freight Services Pvt Ltd.
3. Principles of Consolidation

   The Consolidated Financial Statements relate to Allcargo Global Logistics Limited and its wholly owned domestic and foreign subsidiary companies. The consolidated financial statements have been prepared on the following basis:

   i) The financial statements of the Company and its subsidiary companies are combined on a line by line basis, and intra group balances, intragroup transactions and unrealised profits or losses are fully eliminated.

   ii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange rate difference arising on consolidation is recognised in the exchange fluctuation reserve.

   iii) The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserves as the case may be.

   iv) Minority interest's of net profit of consolidated subsidiaries for the period is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholder of the Company.

   v) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except in the case of foreign subsidiary companies, where the accounting policy regarding the rate of depreciation which is not in consonance with the group accounting policy. No effect has been given in the consolidated financial statements on account of such differing accounting policy, where the impact is not expected to be material.

4. Merger of Project and Equipment Division

   The Scheme of Arrangement (the Scheme) under Section 391 to 394 of the Companies Act, 1956 between Allcargo Global Logistics Limited ('AGL'), Transindia Freight Services Pvt. Ltd. ('TFSPL') and their respective shareholders and creditors is sanctioned by the Hon'ble Bombay High Court vide Order dated May 2, 2008 and copy of the Order has been filed with the Registrar of Companies, Mumbai, Maharashtra on May 19, 2008. Accordingly the Scheme became effective and operational from May 19, 2008. Pursuant to the Scheme, following assets and liabilities pertaining to the Project and Equipment Division of TFSPL have been transferred to and vested with AGL with effect from the appointed date i.e. January 1, 2007, on a going concern basis.

ASSETS	(Amount in 000's)
Gross Block	425,633
Less: Depreciation	166,208
Net Block	259,425
Investment	1,363
Current Assets, Loans & Advances:	
- Inventories of Spares	14,075
- Sundry Debtors	79,183
- Cash and Bank Balances	4,648
- Loans and Advances	59,277
Miscellaneous Expenditure	574
Total Assets - (A)	**418,545**
LIABILITIES	
Secured Loans	154,874
Unsecured Loans	5,319
Current Liabilities & Provisions:	
- Current Liabilities	59,257
- Provisions	25,906
Deferred Tax Liabilities	24,962
Total Liabilities - (B)	**270,318**
Surplus Assets (A-B)	**148,227**

This Scheme has been given effect to in the financial statements for the year ended December 31, 2007 except allotment of 2,103,080 equity shares of Rs.10 each fully paid, which has been shown under Share Suspense Account in these financial statements.

As per the accounting treatment prescribed in the Scheme:

a. The value of the net assets of the Project and Equipment division of TFSPL of Rs.148,227 thousand has been transferred to the Company and will be adjusted against the face value of 2,103,080 equity shares of Rs.10 each fully paid and the difference of Rs.127,195 thousand has been adjusted in the General Reserve Account of the Company.

b. The transactions of Project and Equipment division between the appointed date and the effective date, carried out by TFSPL are deemed to be made on behalf of AGL. Accordingly all assets, liabilities, income and expenditure of the Project and Equipment division for the said period accounted in the books of TFSPL are taken over by AGL and given effect in these financial statements.

5. The financial statements of the subsidiaries used in the consolidation are drawn upto the same date as of the Company i.e. year ended December 31, 2007.

6. We have consolidated the financial statements of Indian Companies, Contech Transport Services Pvt. Ltd , Hindustan Cargo Ltd, ECU Line (India) Pvt Ltd and foreign subsidiaries, ACM Lines Pty Ltd and Allcargo Belgium N.V . In turn Allcargo Belgium N.V has consolidated its financials with its subsidiary RMK N.V of Belgium and fellow subsidiaries FT International N.V and ECU Hold NV of Belgium. FT International N.V has consolidated its subsidiaries FT International France and FT International Rotterdam. The fellow subsidiary ECU Hold N.V has consolidated the following subsidiaries globally.

Sr.No.	Name of the Company	Country of Incorporation	% of Holding
1	ECU International (Asia) Pvt. Ltd.	India	100
2	ECU-Line Hong Kong Ltd.	Hong Kong	60
3	ECU Line – Guangzhou	China	60
4	ECU Line Philippines Inc.	Philippines	100
5	ECU Line Singapore Pte. Ltd.	Singapore	100
6	ECU Line (Thailand) Co.	Thailand	52
7	ECU Line Middle East LLC	United Arab Emirates	72
8	ECU Line Abu Dhabi LLC	Afghanistan	51
9	ECU Line Doha W.L.L.	Qatar	100
10	Euro Centre – Dubai	United Arab Emirates	72
11	ECU Line (Johar Bahru) Sdn Bhd	Malaysia	85
12	ECU Line Japan Ltd.	Japan	65
13	ECU-Line Vietnam	Vietnam	51
14	ECU-Line Panama S.A.	Panama	100
15	ECU-Line Paraguay S.A.	Paraguay	100
16	ECU-Line Peru S.A.	Peru	70
17	ECU Logistics do brasil ltda	Brazil	100
18	ECU-Line Canada Inc.	Canada	50
19	ECU Line Chile SA	Chile	100
20	ECU Line De Columbia S.A.	Colombia	66.66
21	Conecli International S.A	Costa Rica	100
22	ECU Line Del Ecuador S.A.	Ecuador	100
23	Flamingo Line El Salvador	El Salvador	66.66
24	ECU Line Guatemala	Guatemala	66.66
25	CELM Logistics S.A. De C.V.	Mexico	100
26	ECU-Line Uruguay	Uruguay	50
27	ELV Multimodal C.A.	Venezuela	100
28	Flamingo Line Do Brazil	Brazil	100
29	ECU Line Australia Pty. Ltd.	Australia	60
30	ECU Line New Zealand Ltd.	New Zealand	60
31	ECU Line Denmark A/S	Denmark	100
32	Scanca Finland	Finland	100
33	Scanca Norway	Norway	100
34	Scanca Sweden	Sweden	100
35	ECU-Line (Germany) GmbH	Germany	100
36	ECU-Line UK Ltd.	United Kingdom	100
37	ECU-Line Polska Sp. Z.o.o. UL	Polska	100
38	ECU-Line Romania SRL	Romania	100
39	ECU-BRO N.V.	Belgium	100
40	ECU International N.V.	Belgium	100
41	ECU-TECH BVBA	Belgium	100
42	ECU-LINE N.V.	Belgium	100
43	ECU-LOGISTICS N.V.	Belgium	100
44	ECU-Trans N.V.	Belgium	100
45	ECU LINE Rotterdam	Netherlands	100
46	D & E Transport	Belgium	100

Sr.No.	Name of the Company	Country of incorporation	% of Holding
47	ECU Line Turkey	Turkey	100
48	ECU Line Mediterranean	Cyprus	55
49	ECU Line Italia SRL	Italy	100
50	ECU Line Jordan	Jordan	100
51	ECU Line Kenya	Kenya	82
52	ECU Line (IOI) LTD.	Mauritius	90
53	ECU-Line Malta Ltd.	Malta	100
54	ECU Line Maroc	Morocco	100
55	ECU Line Spain S.L.	Spain	100
56	ECU Line Tunesia	Mergrine Riadh	100
57	ECU Line Egypt	Egypt	55
58	ECU LINE SA (Pty.) Ltd.	South Africa	75
59	ELWA (GH) Ltd.	Ghana	100
60	ECU Line Ivory Coast	Ivory Coast	100
61	ECU Line Algeria	Algeria	100
62	ECU Line Italy TRC	Italy	100
63	ECU Line Costa Rica	Costa Rica	100
64	Mediterranean Cargo Centre	Spain	80
65	Administradora House Line	Venezuela	100
66	Flamingo Chile	Chile	100
67	Flamingo Line Peru	Peru	70
68	ECU Logistics S.A (Argentinie)	Argentina	51
69	AMI Ventures	Mauritius	100
70	CLD	Uruguay	100
71	ECU International Far East Ltd.	Hong Kong	100
72	IPTS	Belgium	100
73	ECU-Air N.V	Belgium	100

7. As the operation of CFS Chile S.A., Eurocentre SCI, Cardinal Maritime, Rotterdam Freight Station BV and ECU Shipping Logistics (K) Ltd.was not material in relation to the size of the consolidated operations the financial statements of the subsidiaries did not form part of the consolidated financial statements
8. The financial statements of Joint Ventures and Associates are not considered in the consolidated financial statements as their state of affairs as at the year end and results of operation for the period are not material in relation to the consolidated financial statements.
9. The accounting policies of certain subsidiaries especially regarding the rate of depreciation, amortisation of intangible assets and accounting for retirement benefits are not in consonance with the group accounting policies. No effect has been given in the consolidated financial statements on account of such differing accounting policies, where the impact is not expected to be material.
10. Goodwill of Rs. 310,725 thousand has arisen on consolidation of Hindustan Cargo Ltd with the Company, IPTS Belgium with ECU Hold and FT International B.V Belgium with RMK NV. Also Capital Reserve of Rs. 1,696 thousand has arisen on consolidation of ACM Lines (Pty) Ltd. with the Company.
11. Contingent Liabilities not provided for :

    A. Foreign Subsidiaries

    i) Bank guarantees issued to Customs, Ministry of transport and other parties Rs. 139,488 thousand (Previous Period – 136,289 thousand)

    B. Indian subsidiaries

    - i) Counter Guarantees to Banks for guarantees issued by them Rs. 157,799 thousand (Previous Period –Rs 33,373 thousand)
    - ii) Continuity Bond executed in favour of The President of India through the Commissioner of Customs – Rs. 1,145,000 thousand (Previous Period Rs.1,088,000 thousand)
    - iii) Guarantees issued to Bankers in respect of others Rs.6,696 thousand. (Previous Period –Rs. Nil)
    - iv) Custom Duty payable on import of equipment under EPCG Scheme if the Company is not able to fulfill its export obligation, Rs. 41,497 thousand (Previous Period – Rs. 41,497 thousand).
    - v) Suits filed against the Company towards operational claims Rs. 28,620 thousands (Previous Period 28,823 thousand)
    - vi) Income tax demands against which the company has preferred appeals/rectifications Rs. 4,932 thousand (Previous Period Rs.2,751 thousand)

12. In the opinion of the management and to the best of its knowledge and belief, the current assets and Loans and advances have a value on realisation in the ordinary course of businessat least equal to the amount at which they are stated in the Balance Sheet.

13. Segment Reporting

(a) Information about Business Segments (Information provided in respect of revenue items for the period ended December 31,2007 and in respect of assets / liabilities as at December 31,2007.

(Rs in 000's)

Particulars	**Multimodal Transport Operations**		**Container Freight Station**		**Equipment Hire**		**Total**	
	This Year	Previous Period	**This Year**	Previous Period	**This Year**	Previous Period	**This Year**	Previous Period
Revenue								
External	14,958,895	8,333,601	934,132	618,637	241,604	—	**16,134,631**	8,952,238
Add : Inter Segment Revenue	166,157	—	13,411	—	20,000	—	**199,568**	—
Total Revenue	15,125,052	8,333,601	947,543	618,637	261,604	—	**16,334,199**	8,952,238
Result								
Segment Result before interest and tax	738,109	375,400	444,190	349,869	105216	—	**1,287,515**	723,415
Interest Expense							**(123,467)**	(52,554)
Unallocated Income net of Unallocated expenses							**(33,427)**	45,939
Profit before Tax and exceptional item							**1,130,621**	716,800
Add: Exceptional Item							**(28,027)**	79,095
Profit before Tax After exceptional Item							**1,102,594**	795,895
Taxes							**238,660**	174,970
Profit after Tax							**863,934**	620,925
Segment assets	4,022,726	3,494,580	1,320,441	727,832	611,802	—	**5,954,969**	4,222,412
Unallocated Assets							**2,594,302**	2,558,784
Total Assets							**8,549,271**	6,781,196
Segment Liabilities	3,357,258	1,830,066	156,888	95,899	39,530	—	**3,553,676**	1,925,965
Unallocated Liabilities							**273,941**	907,506
Total Liabilities							**3,827,617**	2,833,471

Secondary Segment – Geographical

	This Year		Previous Period	
Country/Region	Segment Revenue	Segment Assets	Segment Revenue	Segment Assets
India	3,203,396	2,720,876	1,713,217	1,336,389
Africa	284,015	49,241	125,562	35,155
America	2,419,659	497,274	1,172,721	296,736
Far East	2,536,785	572,528	1,315,694	423,337
Australia & New Zealand	425,338	54,289	235,723	56,234
Europe	5,864,259	1,606,971	3,690,880	1,711,846
Mediterranean	1,401,179	453,790	700,295	362,715
Total	16,134,631	5,954,969	8,954,092	4,222,412

14. RELATED PARTY DISCLOSURES

List of Related parties and Relationships

A) Relationships:

1) Joint Venture Company : Transworld Logistics & Shipping Services Inc U.S.A

2) Associate Companies : Transnepal Freight Services Pvt Ltd

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

4) Enterprises owned or significantly influenced by its key management personnel or their relatives. :
M/s . Allcargo Shipping Services (P) Ltd.
M/s. Avadh Marketing (P) Ltd.
M/s. N.R.Holdings (P) Ltd.
M/s. Trans India Freight (P) Ltd.
M/s. Allcargo Movers (Bombay) (P) Ltd.
M/s. Allnet Infotech (P) Ltd.
M/s. Prominent Estate Holdings (P) Ltd.
M/s. Trans India Freight Services (P) Ltd .
M/s. Jupiter Machines Private Ltd.
M/s. Sealand Cranes (P) Ltd.
M/s. Alltrans Port Management (P) Ltd.
M/s. Indport Maritime Agencies (P) Ltd.
M/s. Alltrans Logistics (P) Ltd.
M/s. Sealand Holdings (P) Ltd.
M/s. Contech Estate (P) Ltd.
M/s. SKS Netgate (P) Ltd.
M/s. Energy Health Spas (P) Ltd.
M/s. Avash Builders (P) Ltd.

B) Transactions with Related Parties:

Rs.in (000s)

Sr. No	Transactions	Joint Venture Company	Associate Companies	Key Management Personnel	Enterprises Owned or Significantly Influenced by its key Management Personnel or their relatives
1	Interest Received	—	—	—	378
2	Rent Deposit paid	—	—	—	36,889
3	MTO Income	150,980	—	—	—
4	Professional fees paid	—	—	810	698
5	Business Service Charges	—	—	—	900
6	Rent Paid	—	—	18,416	32,254
7	Remuneration to Directors	—	—	37,434	—
8	Car Hire charges	—	—	900	—
9	MTO Operation Expenses	73,414	—	—	—
10	Loan received	—	—	13,000	—
11	Loan repaid	—	—	13,000	272
12	Interest paid	—	—	—	21
13	Outstanding payables	—	—	9,000	287
14	Outstanding receivables	5,003	60	—	3,500
15	Advances / Deposits paid	—	60	—	—

15. Estimated amount of Contract remaining to be executed on capital account and not provided for Rs. 110,159 thousand (Previous period Rs 137,991 thousand).

16. The Company has changed the method of charging depreciation for commercial vehicles given on lease of Allcargo Global Logistics Ltd, for more appropriate presentation in the financial statements. Upto the year ended December 31,2007, the Company had been accounting for depreciation on these assets based on Written Down Value method. During the current year ended December 31, 2007, the Company has revised its accounting policy of providing depreciation from Written Down Value method to Straight line method. The change in the above accounting policy has resulted in a surplus of Rs.33,366 thousand, tax debit of Rs. 11,341 thousand on account of Deferred tax relating to the previous years and current tax debit of Rs. 3,780 thousand. Consequently, the net profit for the current year is higher by Rs. 18,244 thousand. Had the Company followed the Written Down Value basis of depreciation accounting the value of the fixed assets would have been lower by Rs. 33,366 thousand and the value of the reserve and surplus would have been lower by Rs. 18,244 thousand and the value of MAT Credit Entitlement would have been higher by 3780 thousand.

17. Disclosure for lease

A. Foreign subsidiaries

Leasing and other similar rights includes lease taken in respect of office premises at Chile having a book value of Rs. 41,595 thousand (Previous period Rs.14,913 thousand) on the balance sheet date. It also includes lease taken in respect of vehicles at different countries.

B. Indian companies

Company's lease agreements are mainly in respect of operating leases taken for offices, residential premises and warehouses. The lease agreements are for a period ranging from eleven months to nine years. The lease agreements are cancellable at the option of either party by giving one month to six month's notice. The Company has given refundable interest free security deposits for certain agreements. Certain agreements provide for increase in lease rent. Some of the agreements provide for renewal of lease by mutual consent. Lease payments recognised in the Profit and Loss Account are Rs.27,794 thousand (Previous period Rs.9,253 thousand)

(Rs in 000's)

18. Computation of Deferred Tax is as follows :	This Year	Previous Period
Deferred Tax Liability		
Difference in Block of Assets	**105,575**	33,863
Deferred Tax Assets:		
Fiscal and other disallowances	**61,151**	46,756
Deferred Tax Liability/ (Assets) - Net	**44,424**	(12,893)
19. Earnings per Share :		
a) Net Profit available for Equity Shareholders(Rs in 000's)	**765,591**	603,522
b) Weighted average no. of equity shares		
Basic	**22,358,925**	19,688,845
Stock options outstanding	**40,856**	48,910
Diluted	**22,399,781**	19,737,755
c) Paid up value per share (Rs.)	**10/-**	10/-
d) Earnings per share (Rs.)		
Basic	**34.23**	30.65
Diluted	**34.17**	30.58

FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES

(Rs in Millions)

Sr. Nos.	Name of the Company	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit for the financial year before taxation	Income Tax	Profit after Tax	Proposed dividend
1	ECU International (Asia) Pvt. Ltd.	0.52	1.81	2.34	2.34	—	5.73	(0.72)	(0.11)	(0.61)	—
2	Contech Transport Services Pvt. Ltd.	1.30	11.43	13.61	0.88	11.51	1.61	0.31	0.09	0.23	—
3	Hindustan Cargo Ltd	2.50	38.27	127.14	86.37	—	470.22	12.63	6.51	6.11	—
4	ECU Line (India) Private Limited	0.10	—	0.10	—	—	—	—	—	—	—
5	ECUHOLD N.V.	182.45	12.03	1,079.64	1,079.64	21.36	60.18	(64.88)	3.15	(68.03)	—
6	Allcargo Belgium N.V.	581.20	(8.88)	873.47	873.47	22.32	0.59	(1.82)	(0.09)	(1.73)	—
7	ECU-Line Hong Kong Ltd.	7.59	3.09	110.55	110.55	—	536.25	4.01	0.82	3.19	3.72
8	ECU Line - Guangzhou	29.92	1.34	41.46	41.46	—	118.37	1.41	0.43	0.98	—
9	ECU Line Philippines Inc.	4.80	3.96	16.47	16.47	—	98.80	1.12	0.39	0.73	—
10	ECU Line Singapore Pte. Ltd.	6.83	24.75	116.01	116.01	—	616.62	29.34	4.67	24.67	13.73
11	ECU Line (Thailand) Co.Ltd	6.63	23.70	111.03	111.03	—	648.46	9.90	2.89	7.01	—
12	ECU Line Middleeast LLC	3.23	44.86	112.60	112.60	—	509.58	45.33	—	45.33	19.02
13	ECU Line Abu Dhabi LLC	1.61	2.78	6.62	6.62	—	16.47	2.66	—	2.66	—
14	ECU Line Doha W.L.L.	2.18	2.36	5.85	5.85	—	30.27	1.76	—	1.76	0.97
15	Euro Centre - Dubai	13.98	24.67	42.98	42.98	—	20.28	8.33	—	8.33	—
16	ECU Line Malaysia ECU-Line (JB) SDN BHD	2.38	14.73	37.54	37.54	—	214.94	7.46	1.60	5.86	11.95
17	ECU Line Japan Ltd.	10.55	(51.70)	52.92	52.92	—	646.91	(22.15)	—	(22.15)	—
18	ECU-Line Vietnam	4.00	8.57	26.46	26.46	—	145.62	9.44	—	9.44	2.32
19	ECU-Line Panama S.A.	0.99	(3.03)	18.32	18.32	—	103.18	2.92	1.00	1.91	—
20	ECU-Line Paraguay S.A.	0.42	(0.74)	1.27	1.27	—	7.48	0.10	0.03	0.07	—
21	ECU-Line Peru S.A.	0.27	1.88	39.45	39.45	—	213.43	3.15	1.31	1.84	—
22	ECU Logistics do brasil ltda	1.22	(26.41)	15.05	15.05	—	116.21	(24.47)	—	(24.47)	—
23	ECU-Line Canada Inc.	—	4.52	70.80	70.80	—	497.99	(0.22)	(0.19)	(0.02)	—
24	ECU Line Chile S.A.	2.38	6.67	60.14	60.14	—	286.17	(1.45)	0.39	(1.84)	—
25	ECU Line De Columbia S.A.	7.38	2.69	17.33	17.33	—	87.19	3.67	1.04	2.63	—
26	Conecli International	—	(1.50)	8.69	8.69	—	36.07	(0.91)	—	(0.91)	—
27	ECU Line Del Ecuador S.A.	0.39	(1.39)	9.04	9.04	—	92.53	(1.59)	0.27	(1.85)	1.86
28	Flamingo Line El Salvador	0.54	(0.02)	1.78	1.78	—	4.69	0.13	0.03	0.10	—
29	ECU Line Guatemala	0.03	(0.39)	11.91	11.91	—	49.00	(0.44)	0.10	(0.54)	1.39
30	CELM Logistics S.A. De C.V.	0.18	4.56	68.25	68.25	—	168.79	1.35	1.29	0.06	—
31	ECU-Line Uruguay	1.87	3.05	8.03	8.03	—	39.06	1.00	0.19	0.81	—
32	ELV Multimodal C.A.	0.44	18.47	26.24	26.24	—	59.65	8.30	2.62	5.68	—
33	ECU Line Miami	-	0.52	3.17	3.17	—	26.47	0.95	—	0.95	—
34	Flamingo Line Peru	0.46	0.33	3.15	3.15	—	4.29	0.40	0.16	0.24	—
35	ECU Australia Pvt. Ltd.	3.46	6.49	51.05	51.05	—	495.46	27.43	8.90	18.54	13.86
36	ECU Line New Zealand Ltd.	3.21	1.18	13.77	13.77	—	84.21	3.15	0.96	2.19	—
37	ECU Line Denmark A/S	3.90	(3.55)	0.84	0.84	—	1.30	(1.34)	—	(1.34)	—
38	Scanca Finland	1.02	(0.29)	1.32	1.32	—	1.51	8.10	—	8.10	—
39	Scanca Norway	0.73	(1.51)	1.88	1.88	—	1.94	4.64	—	4.64	—
40	Scanca Sweden	1.85	(8.30)	4.61	4.61	—	90.72	59.74	—	59.74	—
41	ECU-Line (Germany) GMBH	54.38	12.91	169.60	169.60	—	731.67	9.11	—	9.11	—
42	ECU-Line UK Ltd.	55.22	5.31	117.77	117.77	—	503.15	5.11	1.57	3.55	—
43	ECU-Line Polska Sp. z.o.o. UL	0.81	(0.30)	20.35	20.35	—	92.65	1.99	0.83	1.16	—
44	ECU-Line Romania SRL	0.09	2.12	21.22	21.22	—	88.33	0.28	0.06	0.23	—
45	ECU-BRO N.V.	4.54	(9.08)	70.51	70.51	—	80.08	(3.91)	—	(3.91)	—
46	ECU International N.V.	3.60	(55.68)	1,051.66	1,051.66	—	454.11	(10.06)	2.27	(12.33)	-
47	ECU-TECH BVBA	1.08	2.01	22.15	22.15	—	59.33	3.43	1.59	1.84	—
48	ECU-LINE N.V.	72.07	75.98	771.04	771.04	—	3,953.80	20.23	10.86	9.37	—
49	ECU-LOGISTICS N.V.	39.99	(9.34)	276.45	276.45	—	448.80	(8.75)	0.08	(8.82)	—
50	ECU-TRANS N.V.	7.21	(8.56)	45.52	45.52	—	231.17	(1.22)	—	(1.22)	—
51	ECU LINE Rotterdam	49.63	(37.02)	74.12	74.12	—	408.81	(2.42)	(1.77)	(0.65)	—
52	D & E Transport	3.60	(1.14)	13.02	13.02	—	100.40	0.74	—	0.74	—
53	RMK, N.V.	957.07	(30.44)	1,153.73	1,153.73	—	0.03	(1.32)	—	(1.32)	—
54	ECU Line Turkey	7.11	(4.06)	32.61	32.61	—	175.67	2.15	0.48	1.68	—
55	ECU Line Meditterranean	0.50	0.10	5.97	5.97	—	56.53	0.11	0.12	(0.02)	—
56	ECU Line Italia SRL	3.49	2.16	164.79	164.79	—	591.81	8.55	7.40	1.15	—
57	ECU Line Jordan	1.69	2.35	20.10	20.10	—	83.79	0.46	0.17	0.29	0.52
58	ECU Line Kenya	2.50	9.02	26.33	26.33	—	114.35	3.19	1.02	2.17	—
59	aECU-Line (Indian Ocean Islands) Ltd.	0.97	1.93	4.50	4.50	—	20.80	1.50	0.29	1.21	—
60	ECU-Line Malta Ltd.	0.68	0.12	1.81	1.81	—	3.53	(0.19)	—	(0.19)	—
61	ECU Line Maroc	1.81	7.86	63.44	63.44	—	187.68	11.40	4.02	7.39	5.34
62	ECU Line Spain S.L.	7.09	4.72	62.51	62.51	—	364.08	(5.03)	—	(5.03)	—
63	ECU Line Tunesia	0.33	(6.97)	35.66	35.66	—	62.78	(2.53)	0.68	(3.22)	—
64	ECU Line Egypt	0.72	2.11	10.28	10.28	—	54.07	9.05	1.81	7.24	6.99
65	ECU LINE SA (Pty.) Ltd.	—	8.14	51.23	51.23	—	335.04	8.10	2.42	5.69	—
66	ELWA (GH) Ltd.	0.11	0.84	3.31	3.31	—	19.95	0.82	0.20	0.63	—
67	ECU Line Ivory Coast	4.43	(7.95)	10.33	10.33	—	39.51	2.62	0.17	2.45	—
68	ECU Line Algerie	0.61	8.03	17.78	17.78	—	40.04	10.40	2.61	7.79	6.49
69	ECU Line Zimbabwe (Pty.) Ltd.	—	—	—	—	—	—	—	—	—	—
70	ECU Line Italy TRC	3.20	(6.41)	6.08	6.08	—	26.97	(9.68)	(2.89)	(6.79)	—
71	ECU International Far East Ltd	0.05	3.03	92.93	92.93	—	67.68	3.85	0.68	3.17	—
72	ECU Air - 2007	23.25	5.14	98.65	98.65	—	604.30	8.42	3.41	5.01	—
73	ACM Lines (Pty) Ltd	0.58	0.07	1.79	1.79	—	47.50	0.71	—	0.50	—
74	Cardinal Maritime	—	—	—	—	—	—	—	—	(0.019)	—
75	Venezuela - AHL	0.02	1.46	12.56	12.56	—	2.31	1.96	0.43	1.53	—
76	Ecu Logistics SA	0.20	2.13	9.71	9.71	—	20.59	2.95	0.70	2.26	—
77	Flamingo Line do Brazil	1.12	(14.65)	1.69	1.69	—	6.94	(12.35)	—	(12.35)	—
78	IPTS	36.08	(139.18)	7.51	7.51	—	—	(0.00)	—	(0.00)	—
80	AMI Ventures	0.04	22.99	189.61	189.61	—	53.39	(0.51)	—	(0.51)	—
81	CLD	103.92	—	144.71	144.71	—	—	(4.96)	—	(4.96)	34.73
82	FT International NV	9.365	4.943	88.553	88.553	—	84.53	0.31	—	0.31	—
83	FT International France	2.27	1.20	32.51	32.51	—	23.34	(0.80)	—	(0.80)	—
84	FT International Rotterdam	1.05	0.72	4.54	4.54	—	8.77	(0.15)	—	0.15	—
85	Ecu Line China Ltd	—	—	—	—	—	—	—	—	—	—
86	Rotterdam Freight Station BV	—	—	—	—	—	—	—	—	—	—
87	Mediterranean Cargo Centers S.L.	6.97	(13.96)	15.33	15.33	—	34.23	(13.60)	—	(13.60)	—
88	Ecu Shipping Logistic (K) Ltd	—	—	—	—	—	—	—	—	—	—
89	Flamingo Line Chile	0.76	0.59	5.93	5.93	—	12.16	0.80	0.17	0.63	—
	Total	**2,358.83**	**(45.47)**	**8,101.94**	**8,101.94**	**55.19**	**17,104.24**	**169.70**	**70.87**	**98.02**	**122.89**

Our Management Team

Geography simplified

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