

**Simplifying Geography.
Amplifying Growth.**

Allcargo is about making things simpler. Simplicity that lends itself to the way we conduct business. Nothing is too big, too complex or too remote for us. A simple philosophy that has continually led to growth and has made us India's leading logistics service provider.

With 139 offices in 59 countries and presence across Multimodal Transport Operations, Container Freight Stations, Equipment Leasing, Warehousing and Project Logistics, we work closely with our customers to solve their complex logistics issues and bring a direct positive impact to their business. With a new range of services being added to our already exhaustive portfolio, we hope to make things even simpler.



Across the Globe

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

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Across Geographies, with Ease. You Dream it, We will carry it.



- ALLCARGO & ECU LINE OFFICES
- FRANCHISEES
- THIRD PARTY OFFICES

Chairman's Statement

Dear Shareholders,

It is my pleasure as Chairman of Allcargo Global Logistics to present the Annual Report of our activities for 2008.

Exactly a year ago, we made a commitment to our shareholders that we would continuously strive to be among the top three in every segment of logistics we operate in. It makes me immensely proud to inform you that we have kept our commitment. Today, our LCL (Less-Than Container Load) Consolidation business is the second largest in the world. Our Project Logistics handling business is the largest in India. We are among the top two private players in Container Freight Station Logistics as well as Equipment leasing in the country.

At Allcargo the underlying philosophy has always been to keep stretching ourselves to our limits and to constantly keep pushing those limits further. In line with that we have now set ourselves the target of "becoming the top player in each of our business segments".

Seen in the context of the long-term growth strategy we've been executing, the last year was especially monumental for us in the sense that while faced with one of the worst economic downturns in history, we were able to exceed the performance expectations that our shareholders and we ourselves had set. This has furthered our confidence in the robustness of our business model and our approach of cautious aggression. In 2008, our consolidated top-line and bottom-line growth was 43% and 48% respectively.

However, we clearly understand the risks arising from this severe downturn and have taken it as an opportunity to prudently reduce costs wherever possible and to become leaner and more efficient across our verticals. At the same time, this has been complemented with multiple strategic initiatives for service quality improvements and sustainable business growth.

Alliances

We are a strong believer in the power of mutually beneficial partnerships. Allcargo has entered into a long-term strategic alliance agreement with Samsara Group for setting up and running Container Freight Stations (CFS) and Internal Container Depots (ICD) at Indore - where Allcargo's first ICD recently commenced operations - along with Hyderabad, Nagpur and Bangalore. We also entered a Joint Venture with CONCOR to set up a CFS at Dadri.

Strategic Initiatives

Across the organization, we have kick-started the process for the deployment of an Enterprise Resource Planning (ERP) System in another step towards improving productivity and enhancing management information. We have also adopted Total Quality Management (TQM) to continuously improve in all services and processes leading to increased customer satisfaction.



MR. SHASHI KIRAN SHETTY,
Chairman & Managing Director

People

Without doubt, our people are the strongest pillars of our success. Consequently, we spend a considerable amount of time and effort towards their development. Our learning programs adopted a new approach this year with many of our senior management supplementing industry experts in conducting training sessions. While on one hand, it has been cost-effective, it has also provided employees with insights based on hands-on experience and at the same time given them a chance to know and be inspired by our leaders.

New Businesses

2008 also saw us expanding the horizon of services by setting up our Warehousing arm which has helped us get closer to becoming a total logistics service provider for our clients. This business is a key part of our strategy to increase focus on the Domestic Logistics Sector.

Noteworthy Accomplishments

Allcargo was awarded the "Logistics Company of The Year" in 2008 by Maritime Gateway. Such recognition of our efforts and achievements as a company makes all of us extremely proud and provides us the relentless drive towards striving for further excellence. It also validates the decision that our customers, investors and partners make when they choose Allcargo.

In another landmark accomplishment, Our Project Logistics division created a record for the longest distance; a rail coach has been transported by road. This was as a part of one of the largest Metro Rail Logistics Projects for providing Turnkey Services including transportation for 424 Delhi Metro Coaches. We are looking forward to break that record again very soon.

Community

Allcargo has become what it is today because of the support of the community we serve, and we strongly believe in sharing the benefits of our success with that community as an essential component of inclusive growth. Through our Corporate Social Responsibility initiatives, we support a wide range of socio-economic, educational and health initiatives. The reason behind the success of these projects and programs is that they are driven by active participation from our employees.

As I mentioned, our current business focus lies on sustainable growth by growing within our existing customers with additional services, as well as gaining new customers in our core traditional markets. In the following pages, you'll read more about why we are confident that we can effectively capitalize on these opportunities.

I'm very optimistic about our future because I've been on Allcargo's front lines, working closely with excellent people across all levels of our organization. I've experienced, firsthand, how much our customers value the Allcargo difference.

It is with this note of optimism that I wish to thank all of you - our shareholders, customers, employees and vendors - and look forward to your continuing support as we deliver strong results in the years ahead.

With Warm Regards
Shashi Kiran Shetty
Chairman & Managing Director

You Dream it, We will carry it.



Our Business

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

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

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

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

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

Equipment Hiring and Transportation Division

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

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

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

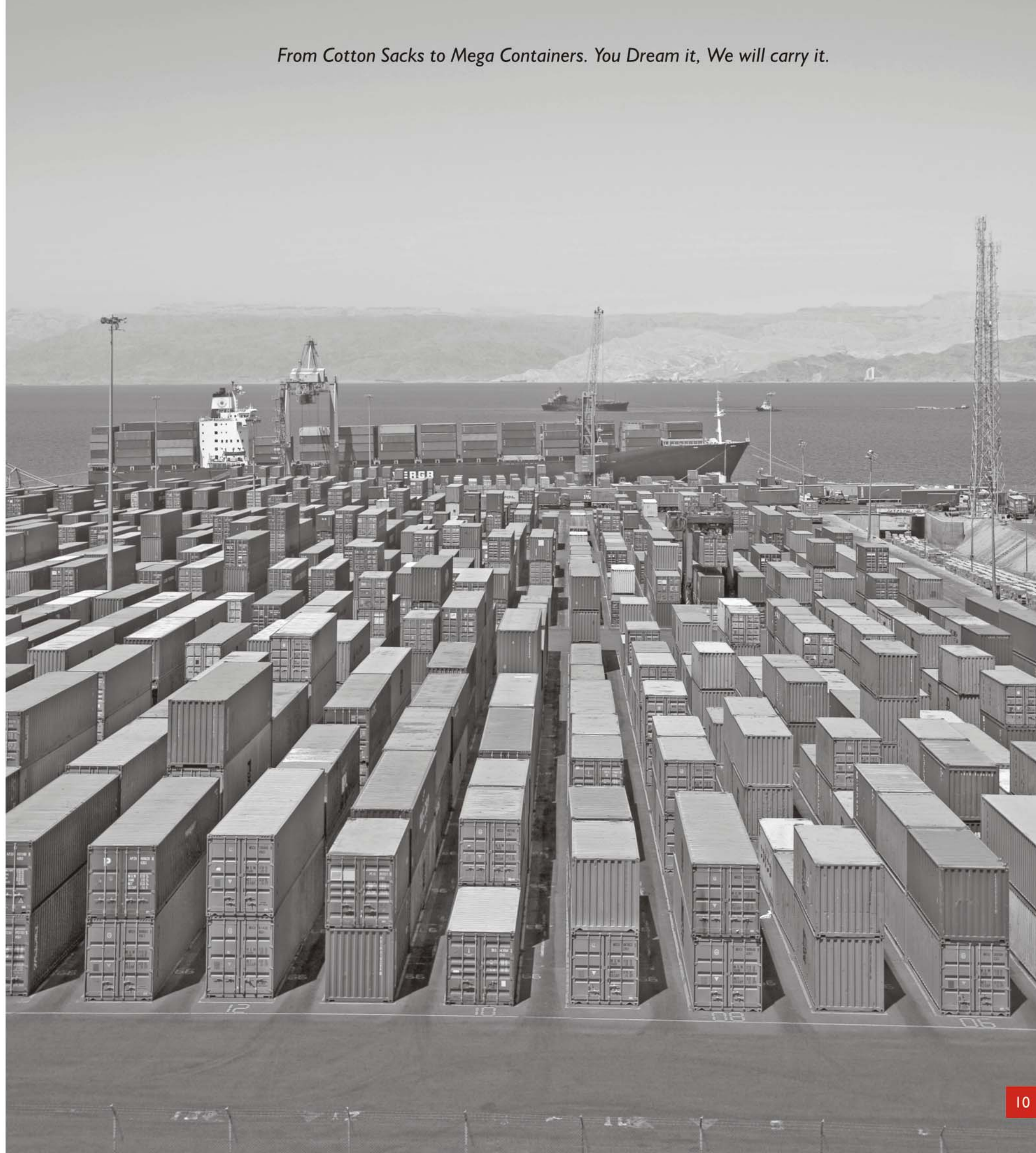
Warehousing

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

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

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

From Cotton Sacks to Mega Containers. You Dream it, We will carry it.



LCL Consolidation Service

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

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

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

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

Project Logistics

Allcargo is poised to carve off a large slice of this burgeoning market and play a leading role in the development of India's infrastructure what with the market for infrastructure development gaining at a more that steady pace. With one eye on the global economy, demand for project cargo logistics is estimated to scale new heights aggregating a growth of 20% in the coming years.

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

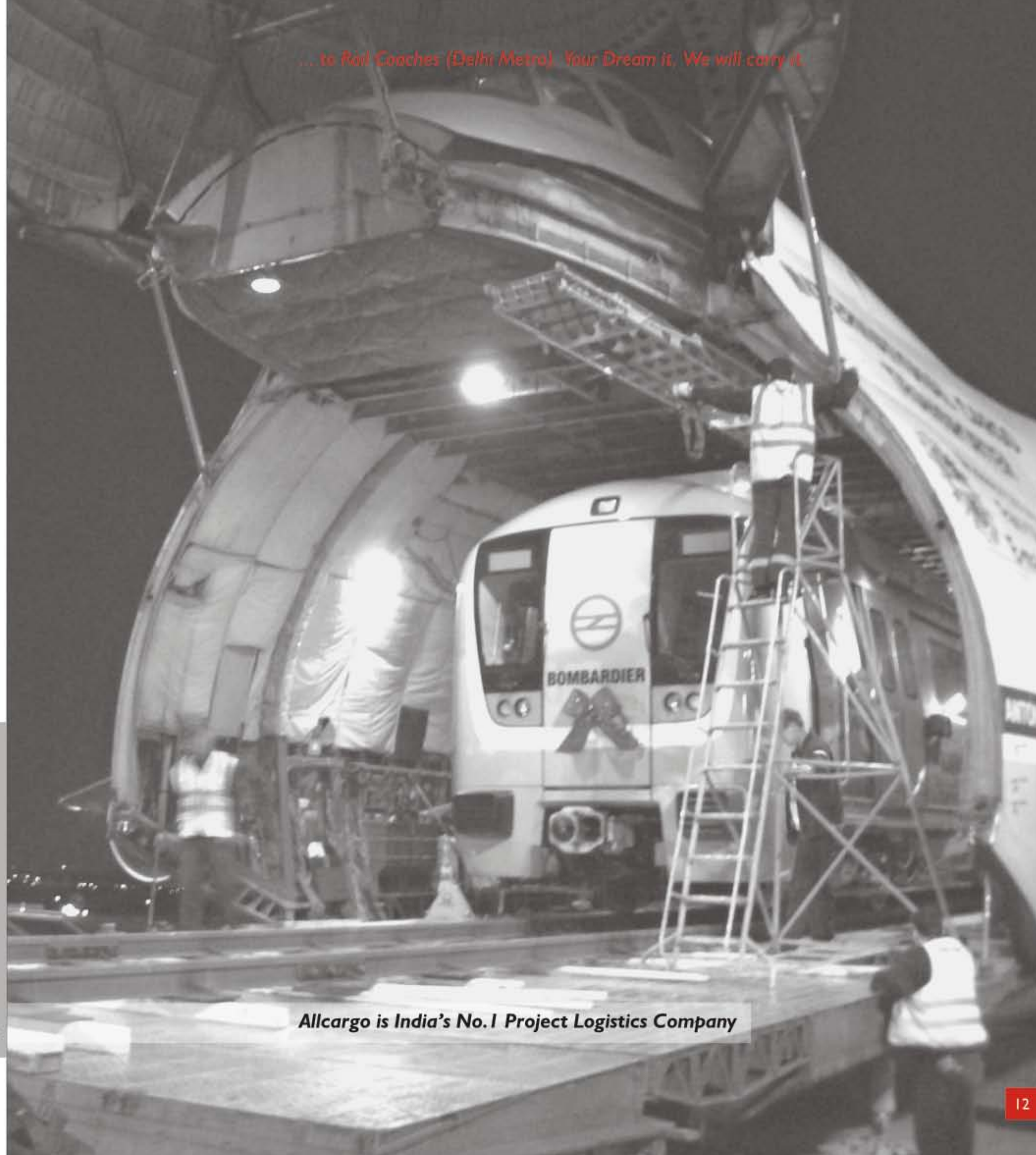
Allcargo's project cargo business has the necessary asset portfolio (trucks, special trailers etc) and manpower to successfully execute projects. We have successfully delivered several challenging projects comprising overseas consignments to India and vice versa.

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



Allcargo is World's 2nd Largest LCL consolidator

... to Rail Coaches (Delhi Metro). Your Dream it. We will carry it.



Allcargo is India's No.1 Project Logistics Company

Senior Management Team

Mr. Umesh Shetty
Chief Executive Officer - Equipment Hiring

Mr. Ashit Desai
Director - Corporate Affairs

Mr. P. P. Shetty
HR Advisor

Mr. S. Suryanarayanan
Group Chief Financial Officer

Mr. Jatin Chokshi
Group Chief Investment Officer

Mr. Hrushikesh Joshi
Group Chief Information Officer

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

Mr. Pramod Kokate
Vice President - CFS

Mr. T. G. Ramalingam
Vice President - All India Projects
(Marketing & Operations)

Sridhar K.
Vice President - ICD & Warehousing

Mr. Ravi Jakhar
Vice President - Corporate Strategy

Mrs. Darshana Mandewal
Vice President - HR

Company Secretary

Mr. Shailesh Dholakia

Bankers

Axis Bank Ltd
HDFC Bank Limited
Yes Bank Ltd

Statutory Auditors

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

Internal Auditors

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

M/s C C Dangi & Associates
Chartered Accountants
Mahendra Chambers, 2nd Floor,
Above Mc DonalDs,
134/136, D. N. Road, Fort,
Mumbai - 400 001.

Solicitors

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

Registrar and Share Transfer Agents

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

Registered Office

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

Our Board of Directors



MR. SHASHI KIRAN SHETTY,
Chairman & Managing Director



MRS. ARATHI SHETTY,
Executive Director



MR. ADARSH HEGDE,
Executive Director



MR. KAIWAN KALYANIWALLA,
Non-Executive
Independent Director



MR. KEKI ELAVIA,
Non-Executive
Independent Director



MR. SATISH GUPTA,
Non-Executive
Independent Director



MR. RAJIV SAHNEY,
Non-Executive
Independent Director



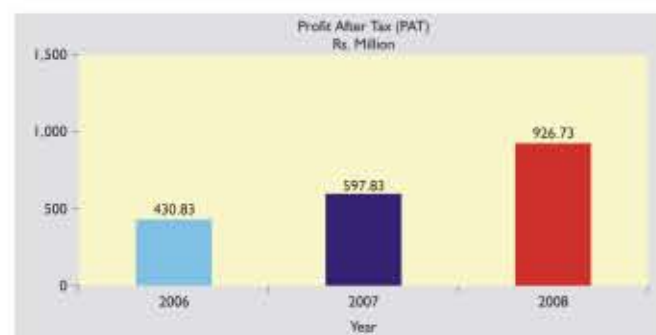
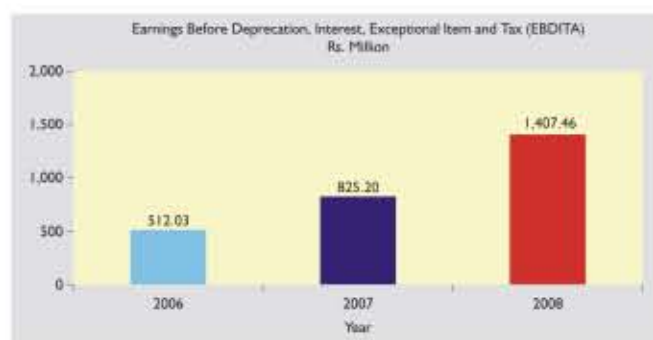
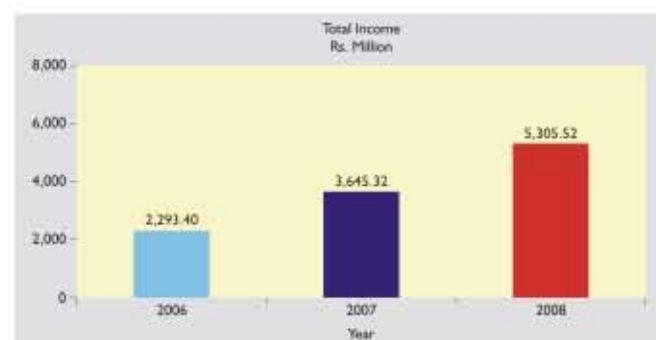
MR. AKHILESH GUPTA
Non-Executive Director
Appointed w.e.f. March 27, 2008

**Our Senior
Management Team**

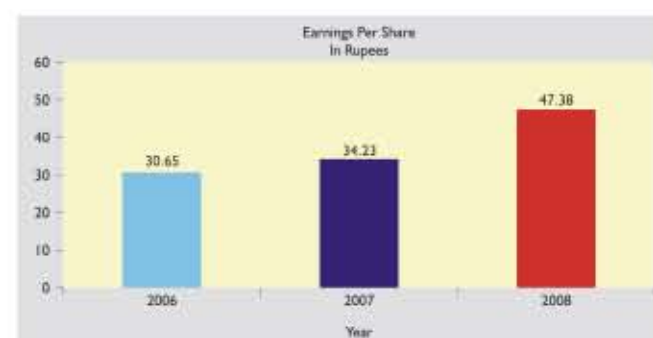
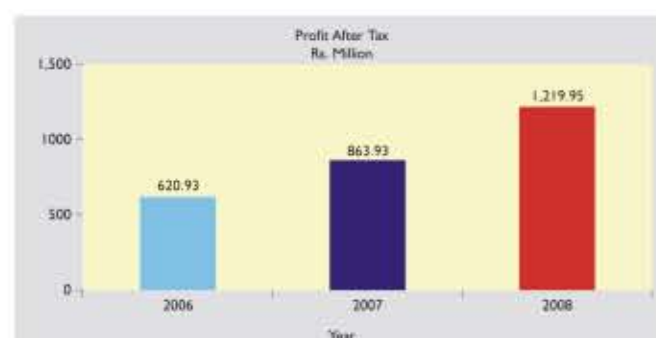
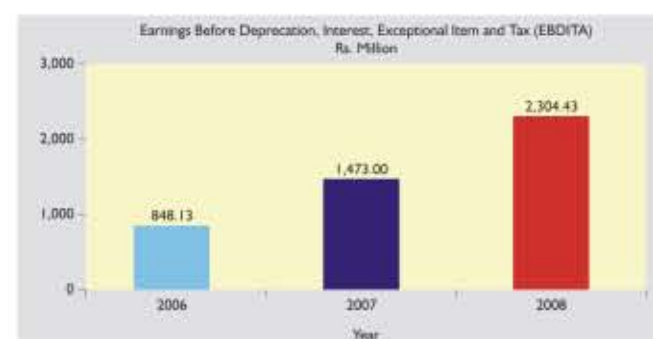
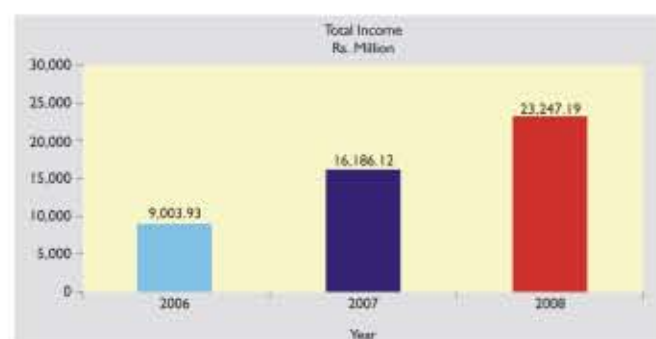


Our Performance

Standalone Financials



Consolidated Financials



Standalone Financial Highlights

(Rs. in Million)

	2008 (12 months)	2007 (12 months)	2006 (9 months)
Total Income	5,305.52	3,645.32	2,293.40
Profit Before Interest, Depreciation and Taxes	1,407.46	825.20	512.03
Interest	(124.47)	(20.95)	(11.52)
Depreciation	(254.69)	(142.02)	(29.31)
Profit Before Exceptional Items and Taxation	1,028.30	662.23	471.20
Provision For Tax	(164.25)	(105.22)	(83.11)
Exceptional Items	62.68	40.82	42.74
Profit After Tax & Exceptional Items	926.73	597.83	430.83
Profit Brought Forward From Previous Year	942.37	545.44	264.44
Prior Period Adjustments For Taxes and Expenses	(0.07)	(0.02)	(0.90)
Profit Available For Appropriations	1,869.03	1,143.25	694.37
Appropriations:-			
Interim Dividend Paid	-	40.51	91.15
Tax on Interim Dividend	-	6.89	12.78
Proposed Final Dividend	55.91	67.09	-
Tax on Final Dividend	9.50	11.40	-
Transfer To General Reserve	95.00	75.00	45.00
Balance Carried To Balance Sheet	1,708.62	942.37	545.44

Consolidated Financial Highlights

(Rs. in Million)

	2008 (12 months)	2007 (12 months)	2006 (9 months)
Total Income	23,247.19	16,186.12	9,003.93
Profit Before Interest, Depreciation and Taxes	2,304.43	1,473.00	848.13
Interest	(248.54)	(123.47)	(52.55)
Depreciation	(447.22)	(252.28)	(78.78)
Profit Before Exceptional Items and Taxation	1,608.67	1,097.25	716.80
Exceptional Items	(31.40)	5.34	79.10
Provision For Tax	(357.32)	(238.66)	(174.97)
Profit After Tax	1,219.95	863.93	620.93
Profit Brought Forward From Previous Year	1,283.42	719.21	264.63
Prior Period Adjustments For Taxes and Expenses	(4.20)	0.09	(16.50)
Minority Interest	(138.72)	(98.42)	(0.91)
Profit Available For Appropriations	2,360.44	1,484.81	868.15

Directors' Report

To,

The Members of

Allcargo Global Logistics Limited

Your Directors take pleasure in presenting the Sixteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended December 31, 2008.

FINANCIAL HIGHLIGHTS

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

(Rs. in Million)

Particulars	For the Year Ended 31.12.2008	For the Year Ended 31.12.2007
Sales & Other Income	5,305.52	3,645.31
Profit Before Interest, Depreciation and Taxes	1,407.46	825.20
Interest	124.47	20.95
Depreciation	254.69	142.02
Profit Before Exceptional Items and Taxation	1,028.30	662.23
Exceptional Items	(62.69)	(52.16)
Provision For Tax	164.25	116.56
Profit After Tax	926.74	597.83
Prior period adjustments for tax and expenses	0.07	0.02
Profit brought forward from previous year	942.37	545.44
Amount available for Appropriations	1,869.03	1,143.25
Appropriations:		
Interim Dividend	-	40.51
Proposed Dividend	55.91	67.09
Tax on Dividend	9.50	18.29
Transfer to General Reserve	95.00	75.00
Profit carried to Balance Sheet	1,708.62	942.36



REVIEW OF OPERATIONS

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

Stand-alone Performance:

Your Company has achieved a turnover of Rs. 5,167.91 million and earned a net profit of Rs. 926.74 million as compared to turnover of Rs. 3,600.48 million and net profit of Rs. 597.84 million in preceding financial year, representing 43.53% growth in revenue and 55.01% growth in net profit. Earnings before interest, tax and depreciation (EBITDA) is Rs. 1,407.46 million as compared to Rs. 825.20 million in preceding financial year, representing 70.56% growth.

Consolidated Performance:

Your Company has achieved a turnover of Rs. 23,140.82 million and earned a net profit of Rs. 1,077.02 million as compared to turnover of Rs. 16,134.63 million and net profit of Rs. 765.59 million in preceding financial year, representing 43.42% growth in revenue and 40.68% growth in net profit, on consolidated basis. Earnings before interest, tax and depreciation (EBITDA) is Rs. 2,304.43 million as compared to Rs. 1,473.00 million in preceding financial year, representing 56.44% growth, on consolidated basis.

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

Segment wise Operational Performance:

MTO Operations:

The Company has earned revenue of Rs. 3,373.19 million from MTO operation as compared to Rs. 2,590.90 million during preceding financial year, an increase of 39.11%. The operating profit from MTO division was Rs. 347.09 million as compared to Rs. 228.58 million during preceding financial year, an increase of 51.84%. MTO operation has contributed around 65% to the total revenue of the Company.

CFS/ICD Operations:

The Company has earned revenue of Rs. 1,482.01 million from CFS/ICD operations as compared to Rs. 947.54 million during preceding financial year, an increase of 56.41%. The operating profit from CFS / ICD operations was Rs. 831.23 million as compared to Rs. 444.19 million during preceding financial year, an increase of 87.13%. CFS/ICD operations has contributed around 28% to the total revenue of the Company.

Equipment Hiring Operation:

The Company has earned revenue of Rs. 494.91 million from Equipment Hiring operation as compared to Rs. 261.60 million during preceding financial year, an increase of 89.19%. The operating profit from Equipment Hiring operation was Rs. 184.37 million as compared to Rs. 105.22 million during preceding financial year, an increase of 75.22%. Equipment Hiring operation has contributed around 10% to the total revenue of the Company.

SIGNIFICANT INITIATIVES

Joint Venture with Infrastructure Leasing and Financial Services Ltd for Ship Yard Project

With a view to explore the opportunity in the Ship Building and Repair Yard business, your Company has entered into joint venture arrangement with Infrastructure Leasing and Financial Services Ltd for setting up a ship building and repair yard project in and around Nana Laija / Mota Laija, Taluka Mandvi. The said project will be carried out through a special purpose vehicle / Joint Venture Company ('JVC') viz. Gujarat Integrated Maritime Complex Pvt. Ltd.

Joint Venture with Hind Terminals Pvt. Ltd. for setting up of ICD / CFS at Indore, Bangalore, Nagpur and Hyderabad locations

Another significant initiative taken by your company was for expansion of its Container Freight Station / Inland Container Depot business by entering into long-term strategic alliance agreement with Hind Terminals Pvt. Ltd. Your Company in alliance with Hind Terminals will set up Container Freight Station / Inland Container Depot at Indore, Bangalore, Hyderabad and Nagpur and at such other locations on mutually agreed terms. The proposed alliance will help your Company to cater to the needs of India's external and internal trade with cost-effective and efficient logistics solutions.

Joint Venture with Container Corporation of India Limited (CONCOR)

As reported in last year's annual report, the project for setting up of Container Freight Station / Inland Container Depot at Dadri, Greater Noida for catering to the container traffic of North India, is under implementation.

Warehouse Infrastructure

As reported in last year's annual report, your Company's plan to set up its own warehouse infrastructure at Goa, Indore, Hosur and Hyderabad are at developmental stage. Your Company has recently commenced warehousing operations at Bhiwandi and also commenced construction for setting up warehousing facilities at Goa.

APPROPRIATIONS

Your Directors are pleased to recommend a dividend @ 25% (Rs. 2.50 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, will absorb a sum of Rs. 65.41 million including dividend distribution tax.

SUBSIDIARY COMPANIES

During the year under review, four companies were formed as subsidiaries viz. AGL Ports Pvt. Ltd., AGL Projects Pvt. Ltd., AGL Terminals Pvt. Ltd. and AGL Warehousing Pvt. Ltd. for undertaking projects relating to port development, terminal handling, warehousing and infrastructure development. The Company has also formed a subsidiary viz. Allcargo Logistic Park Pvt. Ltd. for undertaking ICD / CFS project at Dadri in a joint venture with Container Corporation of India Limited.

Your Company acquired 51% equity stake of Ecu Line Switzerland Ltd, through its wholly owned subsidiary, Ecu Hold NV. Your Company also acquired 100% equity stake of Ecu Nordic OY-Finland, Ecu Line Nordic-Norway and Ecu Nordic AB-Sweden, through its wholly owned subsidiary, Ecu Hold NV.

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

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

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

EMPLOYEES STOCK OPTION PLAN 2006

As reported in last year's Annual Report, your Company had implemented 'Allcargo Employee Stock Option Plan 2006' for the benefit of employees of the Company and its subsidiaries. In accordance with the provisions of the said ESOP Scheme, the options granted to employees of the Company were partly vested on January 12, 2008. During the year under review, the Company has issued and allotted 3,686 equity shares of Rs. 10 each against options exercised by the employees of the Company.

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, 2008 are attached and form part of this report.

SHARE CAPITAL AND LISTING OF SHARES

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

Pursuant to issue of further equity shares under the ESOP Scheme, the total paid-up capital of the Company has increased to Rs. 223,636,110 divided into 22,363,611 equity shares of Rs. 10/- each fully paid.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and that of Articles of Association of the Company, Mrs. Arathi Shetty and Mr. Kaiwan Kalyaniwalla, Directors of the Company, retire 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 the Scheme of Arrangement entered with Transindia Freight Services Pvt. Ltd. for de-merger of the Project & Equipment Division in favour of the Company, Mr. Umesh Shetty was appointed as an Additional Director of the Company w.e.f. January 22, 2008 and Whole-time Director w.e.f. February 1, 2008.

Looking at the entrepreneurial skill and experience of Mr. Umesh Shetty in managing the logistic business, your Board has nominated Mr. Umesh Shetty as non-executive director on the Board of Ecu Hold N.V., the wholly owned subsidiary of the Company engaged in the business of logistic service provider across the globe. Pursuant to such development, Mr. Umesh Shetty has resigned as Director of the Company w.e.f. December 31, 2008. Your Board places on record its deep appreciation for the valuable services and guidance given during his tenure as Director.

Brief resumé of Mrs. Arathi Shetty and Mrs. Kaiwan Kalyaniwalla as required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is included in the Corporate Governance Report attached and form part of this Annual Report.

AUDITORS

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

PUBLIC DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2008 and of the profit of the Company for the year ended on that date;
- 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
- the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company is committed to adhere to and maintain 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 attached and form part of this Annual Report.

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

The requisite 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 Report on Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is focused on education, health & social well being of the society. This year your Company has contributed towards construction of a Primary School Building at Village Koproli jointly with Gram Shikshan Samiti, Raigad Zilla Parishad. This building has been sanctioned by the Government under 'Sarva Shiksha Abhiyan' Scheme. The School Building comprises of seven class rooms and

one cultural hall having RCC structure with all relevant amenities, electrical installation, plumbing work & sanitary arrangement.

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

Apart from these initiatives, your Company also participates in and contributes to the various Charitable Trusts with prime focus on furthering education, health and other noble causes for under privileged class of the Society.

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 attached to this report.

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

SHASHI KIRAN SHETTY
Chairman & Managing Director

Place: Mumbai

Date : April 30, 2009

Annexure I**Conservation of Energy:**

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

Power and fuel consumption

Particulars	For the Year Ended 31.12.2008	For the Year Ended 31.12.2007
Electricity		
Through Purchases		
Purchased Units	2,203,802	1,315,276
Total Amount (Rs.)	15,827,817	7,654,557
Rate / Unit (Rs.)	7.18	5.82
Through Diesel Generator		
Units Generated	322,498	19,989
Total Amount (Rs.)	3,816,838	224,629
Cost / Unit (Rs.)	11.84	11.24

Technology Absorption:

Your Company believes in total customer satisfaction through process enhancements and constant innovation in its services. 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 to enforce procedures, maintain an error-free workflow process and offer online tracking of shipments. The system 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 an internal IT division that caters to all technology and process related requirements of each business vertical. IT is seen as a business enabler and your company has made investments to develop customized solutions that meet unique business requirements for each business vertical.

MTO

A customized application has been deployed at all branches of the Company. This application has an in-built CRM capabilities and is used to send email updates such as loading confirmation, stuffing confirmation, cargo status updates, cargo arrival notices to our external customers. Additionally, a self service portal

(ALLONLINE) has been launched in Mumbai to provide customers access to key information at their finger tips. This portal can be accessed via the company's corporate website. Customers can access export details like shipment tracking, export challan copies, draft bill of lading, outstanding statement, brokerage cheque alerts etc. On the import front, HBL and cargo arrival notice can be accessed by our customers.

CFS/ICD

A tailor-made product handles all the operational activities at our CFS operations at JNPT, Chennai and Mundra. All Import & Export operation entries are captured in this system including customs documentation and related formalities. A generic track and trace facility is also provided on your company's website to track container status. Additionally, an "Extranet" facility has been setup as a value added service to allow select customers to access various reports in a secured manner. The CFS system is also capable of generating UN-EDIFACT messages (like CODECO) which can be sent to shipping lines.

Equipment Hiring

The Equipment Hiring division uses a customized system for fleet management and maintenance activities. The Operations module is used to manage fleet operations right from creating quotations, contract till tracking entire cycle of equipment Hire Out / LR job. The Garage module takes care of engineering centre activities, spare part procurement and inventory. Your company has also installed GPRS enabled tracking for all the trailers to provide real time visibility.

Project Cargo

The PCMS system designed for Project Cargo is used to handle vendor management and customer management activities for each project that is undertaken. The application also has a web interface to provide status visibility to our clients.

Foreign Exchange Earnings and Outgo:

Particulars	(Rs. in Million)	
	For the Year Ended 31.12.2008	For the Year Ended 31.12.2007
Total Foreign Exchange Outgo	505.54	225.67
Total Foreign Exchange Earned	347.75	248.29

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

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

The following table sets forth the particulars of stock options granted under Allcargo Employee Stock Option Plan 2006 as on December 31, 2008:

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	7,721	3,675
Options exercised	2,977	Nil
The total number of equity shares arising as a result of exercise of options	2,977	Nil
Options lapsed/expired	18,477	2,500
Variation of terms of options	Nil	Nil
Money realized by exercise of options	29,770	Nil
Total number of options in force	16,846	10,500
Employee-wise details of options granted to:		
(i) Senior Managerial Personnel	As per statement attached	As per statement attached
(ii) Any other employee receiving a grant in any one year of option amounting to 5% or more of the options granted during the year.	Nil	Nil
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS 20 'Earning Per Share')	Rs. 40.16	Rs. 40.16
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. 1,555,577/- being the fair value of options granted under ESOP 2006 (Series I) for the year ended December 31, 2008.	The Company has charged a sum of Rs. 1,642,632/- being the fair value of options granted under ESOP 2006 (Series II) for the year ended December 31, 2008.

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

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

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

* Resigned during the year

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

* Resigned during the year

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.3,198,209 to the profit and loss account for the year ended December 31, 2008, as employee compensation cost.

The equity shares issued and allotted under the Allcargo Employee Stock Option Plan 2006 of the Company are pari-passu in all respects including dividend with the existing equity shares of the Company.

Management Discussion And Analysis

Economic Overview

Despite the first signs of economic turnaround, it may be some time yet before we notice any real effect. The conditions that normally foretell an end to recession, low interest rates and falling inflation are now present across the globe, and most of the major economies have unveiled plans to provide additional economic stimulus via increased government spending and tax cuts. Stock markets, too, have rallied from the recent lows, adding to the scent of spring in the air. Yet, although there are a number of indicators implying recovery is at hand, most of the hard data of late has been dismal, notably in terms of global manufacturing. There is hope for an improvement in the economy, but the uncertainties are still pervasive enough to warrant caution on that front. This global downturn has certainly been severe in terms of its impact and unusually long; the United States (U.S.) tends to lead the cycle.

The global economy is expected to contract by 1.3% in 2009 (Source: IMF) in the deepest post-World War II recession by far. Growth is set to re-emerge to around 1.9% in 2010 (Source: IMF), a pace more sluggish than average recoveries because of lingering strains in the financial sector. The turnaround depends on efforts by governments to nurse the global financial sector back to health by cleaning up banks' balance sheets, and on additional fiscal and monetary policies in advanced economies. The U.S. remains at the epicenter of the crisis and it is critical that the U.S. authorities address mounting toxic debt and uncertainty about banks' solvency. The U.S. Economy is forecasted to contract by 2.8% in 2009, with no growth predicted in 2010 (Source: IMF); as the ravages of a credit squeeze, falling house and equity prices and high levels of uncertainty play out. Meanwhile, the Euro zone economy will shrink by 4.2% in 2009 and fall a further 0.4% in 2010 (Source: IMF). In Asia, harder hit by a drop in global trade than by the financial crisis, Japan's recession would be far deeper than previously thought, while China's economy will grow at a much slower pace.

There is no disagreement on the fact that the crisis is deep and that even if a recovery of sorts can be staged, it will take time and global businesses need to make paradigm shifts in what they do and the way they do it to adapt to this new economy. Also, this preparedness needs to be approached keeping in mind that things are likely to get much worse before getting better.

Though, on the ground, it may not look, India is one of the few bright spots in a global economy. We are forecasted to grow at 5% - 6% this year (Source: RBI), which is more than we averaged in the 1990s. Yes, the effects of recession are being felt; the stocks are down, unemployment is spiking, the real-estate market is down. But, India boasts an unlikely growth driver all its own: a vast majority of the population whose incomes have risen enough in recent years to create powerful demands for basic goods and services. But what's surprising is the resilience of this cohort, and the extent to which it has counterbalanced the global credit crisis and the slump in the global export economy of which India is a key player. But it is always easier to grow from a poor base, so the fact that India is not yet a major economy is an advantage in a downturn. Such a large population subsisting at so low an economic base is a powerful economic driver if it can be mobilized and for India this group is proving resilient to the prevailing headwinds in the global economy. It's kind of a self-sustaining process. There's a huge under penetration of most commodities and services, and we have enough people at the bottom experiencing enough of an

From nails to heavy machines. You Dream it, We will carry it.



increase in income to sustain growth. So even as middle-class consumption wanes in India, demand for basic goods and services remains strong thanks to aspiring consumers, many still tied to the farms, who spend their rupees on essentials like soap, medicine and the shoes and clothing that they wear to work. If we go back to the economic textbooks, they will tell you that the poorer you are, the stronger your propensity to consume. The contrast with China, Asia's other economic giant, is stark. Domestic demand makes up three quarters of the Indian economy, compared with less than half for China, which is why, relative to East Asian economies, India is somewhat insulated from the global trade slowdown. China has been highly focused on the export market, while Indian businesses have been highly focused on the domestic market, and their exports have been incidental. That makes India, more than others, a master of its own destiny.

A major uncertainty in India in 2009 may not be the global economy but domestic politics. Given India's election regulations which curtail the government's ability to enact significant policies during this interim period, it could lead to some immediately required steps not being undertaken when speedy, creative action is the order of the day. A change in government would likely result in some further slowing of certain projects that are already running behind schedule. And elections in India can be tricky.

Industry Overview

Logistics is a US \$ 4,000 billion industry today worldwide, and India contributes only US \$ 50 billion to this. The Indian logistics business is one of the fastest growing sectors today and is estimated to grow by 60% by 2012 (Source: CII). This indicates that the logistics industry will witness substantial growth in the next two years. Sectors like manufacturing and retail, which are currently feeling the effects of the slowdown, are expected to return to normal soon and further boost the logistics industry. The slowdown has an indirect effect on all the players. While capital expenditure is facing curbs, the solution lies in coming out with innovative products.

Precisely, Innovative business models have propelled a paradigm shift in the Indian logistics industry. A recent survey placed India second to China in terms of the growth potential of the logistics sector. India's high rank can be attributed to the fact that Indian firms are implementing pioneering business models, which are driving an increase in the volume and trade. However, the pace of implementation has been relatively slow.

Nevertheless, the industry has worked to overcome the challenges and keep pace with the growing industrial and consumer sectors over the past 7 to 8 years. A key driver of the growth has been the preference given to organized, consolidated service providers rather than constituent suppliers. This growth and development

has been further fuelled by significant investments by private equity players, resulting in the scaling up of the core businesses. Changing government policies on taxation and regulation have also played an important role in this process.

The maturing of the logistics industry in any country is reflected in the increasing value that higher degrees of specialization and service differentiation generate. An interesting novel form of integration is emerging in the Indian logistics sector. A few logistics players focused on one segment of business are now venturing into other areas of logistics' as well - trucking, warehousing; with an aim to take the combined bouquet of these services to their clients and derive higher returns out of synergies.

As the Indian logistics sector becomes more integrated and competitive globally, multinational companies would explore the opportunity to outsource their entire logistics services to India, with an aim to limit administrative burden. However, given the diverse nature of logistics services and hence the capabilities required to deliver an integrated proposition, only a handful of players can reasonably target this market individually. As only few of the logistics companies in India now offer a complete range of services; they are bound to benefit. This will surely bring in more business opportunities. Most other players will have to leverage packets of expertise of best-in-class players in each individual segment to pull together an integrated proposition.

The current slowdown is an ideal time to rework our practices, implement newer cost-effective models and introduce new standards. Exorbitant logistic cost in India is primarily responsible for making goods uncompetitive and further erodes competitiveness. Growth in multi-modal transport is one of the crucial aspects for reducing the logistics cost of Indian trade. As trade in manufactured cargo increases, there would be rising demand for multi-modal services. Investment in quality infrastructure will reduce overall costs and increase the system's efficiency.

Looking at the details, Volume growth has been affected and freight rates have declined steadily in India, over the last few months. India has registered de-growth in the container trade volume. With reduced trade, container markets have corroded considerably. The short-term corrections in the container volumes were mainly driven from the fact that industries/companies were re-aligning their inventory levels. But with sustained consumer demand and reduced inventory liquidation, the container trade is set to regain its momentum. In India, the Wholesale Price Index (W.P.I.) has seen a gradual drop, whereas the Consumer Price Index (C.P.I.) has remained stable during this period. This basically supports that the domestic consumption is still driving the Indian economy, creating a wide span of opportunities in distribution. The Indian logistics industry is, therefore, poised for a significant leap forward in the

coming years. With the recent dips in diesel as well as Aviation Turbine Fuel prices, things look a bit more stable from the logistics point of view. Also, as India continues to grow at a good GDP rate, this is bound to at least remain constant.

But recession has also provided an opportunity on other fronts as well. As manufacturing levels reduced, the volume for less than container load has increased, as companies now find it difficult to directly ship full container loads. This has definitely benefited the Less than Container Load (L. C. L.) players who are into consolidation services. Recession has also severely impacted the freight rates, which are at an all-time low now. This decrease will again give a boost to containerization trade in India. In totality, for the Indian logistics industry, recession seems to be just what the doctor ordered for.

Logistics and infrastructure development are going to play a vital role in the economic development of India in future. India being a developing nation, there is a tremendous opportunity for Infrastructure projects. Typically, India's infrastructure presents an overwhelming challenge to the rapid expansion of industries, with the country's weak infrastructure resulting in significant cost escalations. There is a greater need to foster the economic growth by augmenting investments, particularly in infrastructure. This investment would create a demand for specialized equipments and will result in the movement of heavy cargo. The Government on its part has contributed significantly by making available cheap finances for the infrastructure projects.

Some of the major Infrastructure development projects that will significantly benefit the logistics industry in India include:

- Dedicated rail freight corridor connecting Delhi to Mumbai and Delhi to Kolkata (total length: 2,700kms).
- The North-South East-West corridor road project will connect the North and South, and East and West through an expressway (total length: 6,700 kms).
- Port Expansion: The 12 major port capacity will be increased to 1001.8m tones and the 187 minor ports will be increased to 573.5m tones by 2012.

Also, with the reduced prices of raw materials; namely steel, infrastructure projects have now become even cheaper and viable, as the set-up costs have been reduced. There is urgency in the air to expand physical infrastructure in power, Oil & gas explorations, refineries, ports; with huge investments being made and planned to enhance these facilities.

India is a power starved nation, which makes setting up power plants a good opportunity. Also, with an overall global emphasis of renewable sources of energy, many new wind farms are being set-up in India. With the signing of the n-deal, many nuclear power plants are expected to be set up across India. Refinery sector is still

growing, with newer oil blocks being offered by the Government for exploration. As both power and refinery sectors, clubbed together form a substantial part for deployment of equipments as well as movement of Over Dimensional Cargo, specialized equipment renting companies, with expertise in project logistics, would benefit directly.

The logistics industry in India is evolving rapidly and it is the interplay of infrastructure and new types of services, which will define whether the industry is able to help its customers provide effective services and reduce their logistics costs.

Business Overview

The year 2008 was a landmark year in the progress of Allcargo. On one hand, we witnessed a substantial growth in our revenues and bottom line; on the other hand, we also had to brace ourselves against the global recession. Our foresight in predicting the approaching slowdown, made us better prepared to fortify ourselves against this downturn, thereby minimizing the impact and continuing our growth journey.

Multimodal Transport Operations (M.T.O.)

Year 2008 saw significant swings in the container and cargo volumes in India. The year opened with a momentous upturn in the volumes and continued its upward journey for the first three quarters of 2008. But with the impact of recession being felt in the last quarter, the year closed at volumes more or less equal to the opening levels.

Freight rates during this period fell to their lowest level ever. This provided us with a significant opportunity and negotiating power, considering our geographical reach and presence, to leverage our volumes and relations with shipping lines to get better freight rates. The recessionary scenario also gave us a chance to optimize our global reach and benefits that can be derived from within our network.

In 2008, we increased our presence in India by expanding via our franchisees. On the global front, ECU Line went a step ahead, by not only consolidating its presence in an individual country by opening new offices, but also by setting up operations in new countries where we did not have a presence. The trade lanes being operated by us also registered an significant increase.

Project Logistics

Our Project Logistics business, from having just started off a few years back, grew exponentially, making us the market leaders,

which further makes us believe that we are well equipped to take on the challenge of competition. During this period, we also acquired specialized equipments for the division, so as to facilitate this growth. We have a healthy order book that is executable over the period of next 12-18 months. In 2008, the ambit of this division widened to include all types of logistic solutions, via multiple modes of transportation. Some of the noteworthy projects completed by us include the movement of a Generator Stator and its accessories from Haldia Port, Kolkata to Patna, Bihar, using an optimal mix of various multimodal transportation solutions, which also included movement via waterways along with road transportation. Moreover, the Project logistics division created a record for the longest distance, a rail coach has been transported by road. This was as a part of one of the largest Metro Rail Logistics Projects for providing Turnkey Services including transportation for 424 Delhi Metro Coaches, via air as well as surface transportation.

On a year-on-year basis, Indian Revenues for the MTO segment reported a growth of 40% whereas our profit before tax & interest increased by 51%. Today, our LCL Consolidation business is the second largest in the world, whereas our Project Logistics business is the largest in India.

CFS/ICD/Warehousing Operations

Container volumes in India remained sluggish in 2008. The impact of a slowdown was evident from the fact that India registered a de-growth in its container volumes on a in Ha-liza basis. None the less, the volumes have now stabilized, with initial reports suggesting an increase in the March 2009 volumes.

The last quarter of 2008 also saw the dwell times at all the Container Freight Stations (CFS's) reaching their highest levels, as clients considered it beneficial to store the cargo in the CFSs rather than clearing them, thereby differing the payment of custom duties and optimizing their warehousing cost. This resulted in our CFSs being fully utilized, thereby positively impacting our revenues. Now with the dwell times at their previous levels, availability of storage area has increased, thus providing us with an opportunity to now cater to a wider range of clients, whom we earlier could not, due to unavailability of capacity.

Our facilities at Chennai and Mundra completed one year of successful operations in 2008. Considering the substantial capacity utilization at Chennai CFS, we also completed the phase II expansion of the facility, so as to meet the increased space requirements. We also enhance our capacity at JNPT CFS to accommodate the increased volumes from our valued clients. Our prime location and easy connectivity to the jetty contributed strongly to the optimum capacity utilizations at both the above locations.

Our Inland Container Depot (I.C.D.) at Indore also commenced operations in March 2009, highlighting our foray in the ICD segment of business.

As mentioned before, Allcargo has also entered into a long term strategic alliance agreement with Samsara Group for setting up and running Container Freight Stations and Internal Container Depots at Indore, Hyderabad, Nagpur and Bangalore. This along with our Joint Venture with CONCOR to set up a CFS at Dadri, makes us one of the prominent players in the Indian CFS/ICD market, with a Pan-India presence.

On a year-on-year basis, Revenues for this segment reported a growth of 60% whereas our profit before tax & interest increased by 87%. Currently, we are among the top two private players in Container Freight Station Logistics sector in India.

Last year also saw us expanding the horizon of services by setting up our Warehousing arm which has helped us get closer to becoming a total logistics service provider for our clients. This business is a key part of our strategy to increase focus on the Domestic Logistics Sector.

Equipment Hiring Division

The equipment division grew rapidly in 2008, primarily because of two major reasons: our constant focus on service quality and customer satisfaction; and the fact that by virtue of operating across businesses in the logistics space we are able to provide customers with Total Logistics Solutions for their requirements apart from pure equipment leasing.

Last year forms the most important year in the growth of the equipment division. Not only did we expand rapidly during this period by significantly increasing our fleet strength, but also by achieving cent percent utilization for all the equipments.

Infrastructure sector, as such is being banked upon by all to help overcome this recession. This makes this segment recession proof, thereby opening a Pandora of opportunities for specialized equipment rental companies.

With an investment of over Rs. 1 bn, we acquired new cranes, mostly in the higher tonnage range. We are currently one of the only few players in India who own cranes in capacities greater than 500 tons. All these strategic investments have helped us consolidate our position in the specialized equipment rental business in India.

In 2008, we also expanded our presence geographically, by setting up a base in Middle East to cater to the increasing demand of cranes there, mainly driven by the boom in the infrastructure projects.

As for the other equipments, namely trailers, forklifts and reach stackers, we strengthen our positions in the respective segments,

mainly by providing value-added services and entering into long term contracts, thereby enabling us to secure our future revenues.

With a huge fleet of equipments, an option is to also look at trading opportunities that are available. If profitable opportunities are available, it would be beneficial to explore this avenue.

On a year-on-year basis, Revenues for this segment reported a growth of 104% whereas our profit before tax & interest increased by 75%. We are among the top two private players in Specialized Equipment leasing in the country.

In the first few months of 2009, where we have been responding to the impacts of the global turmoil, we have simultaneously been continuing to make significant strides in our businesses.

To conclude, the meltdown has affected our customers across geographies and industries. Most of them now want cost takeouts, capital conversation and our support in optimizing their business processes. We hope this would lead to their increased engagements with us in their transformation journey.

Outlook / Opportunity

The global economy is expected to bottom out in 2009 and revive in 2010, with India expected to register 6.5% growth in 2010. The decline in growth in manufacturing is a cause for concern that we have been flagging for some time now due to its multiplier effects on the growth of services sector. Given that we are aware of the way things are changing around us, and the opportunities available in the Indian Logistics sector, we need to adapt quickly while planning our response. Also, while there is no doubt that this will be a tough time, it gives us an opportunity to focus further on aspects of our business which might have not gotten our full attention in times of Growth. The management is taking the necessary action to re-align the priorities and focus.

In crisis like the current situation, comes along with opportunities to refuel and revitalize the economy. As part of our strategy to sustain growth and consolidate our global operations, the company will foray into new verticals or enter into strategic joint ventures/tie-ups that are mutually beneficial to both the parties.

Alongside, the company will continue to re-engineer its internally process, to beat the down trend. The roll out of a Pan-organization ERP solution is the first step in this regards. Focus on improving customer services is an important aspect, with an aim to retain the clients. The ongoing Total Quality Management (T.Q.M.) programs would go a long way in assisting this. Besides, we have invested in our front end to maintain customer satisfaction. Building our Client base and leveraging synergy is also another area that is further under focus. Client referrals and

testimonials would go a long way in increasing the customer base. Not to forget, rationalizing and streamlining costs would significantly impact the profitability of the organization. Over the past few months, collective efforts have been put into this activity, to analyze the scope and areas where rationalization is possible and implementing the same. Initial results of this have been very favorable, but the real extent of the said task will be visible only in the second quarter of 2009. But the most important tool to outturn the recession is to 'Innovate Daily', and this trait has now been imbibed in all the employees of the organization. This intum will have direct impact on the productivity, efficiencies and effectiveness of the organization.

The good side of this recession is that it opens up various avenues to grow inorganically. Currently, companies are available at fair prices, which provide us, because of our strong balance sheet, to scout for such value propositions which are synergistic to our existing business and strategy.

It is imperative to take in all bad news with a positive frame of mind. We need to stay energized and hungry to be able to weather these times and emerge stronger than before. To sum up, there is an interesting quote which comes to mind.

"Life is like a grindstone--whether it grinds you down or polishes you up depends on what you're made of"

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 5% 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, Allcargo has established strong brand goodwill in the market and a strong foothold in the entire logistics value spectrum. We are the second largest LCL Consolidator in the world, with around 139 own offices across 59 countries and 198 agents and franchisees in 130 countries. Our wide geographical presence and network across the globe helps us generate higher volumes. We are working on a blueprint to consolidate our position as the market leader and enter newer segments and offer our customers "a one-stop-shop" in the logistics arena. We have built a strong relationship with most of the leading carriers/liners and as a result are able to obtain favorable commercial terms and operational advantages. We also counter this risk with the quality of our infrastructure, service levels and relationships with our customers. Thus, we do not expect to be significantly affected by this risk.

Trade Risk

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

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

Regulatory Risk

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

We require certain approvals, licenses, registrations and permissions for operating our MTO and CFS/ICD business. We may encounter delays in obtaining these requisite approvals, or may not be able to obtain such approvals at all, which may have an adverse effect on our revenues. However, the Government has come up with a number of initiatives to boost the logistics sector and has planned massive investments in the infrastructure sector. As all industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining such permissions, we do not expect this risk to affect us materially in the coming years.

Liability Risk

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

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

Execution Risk

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

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

Internal control systems and adequacy

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



Report on Corporate Governance

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

Composition of Board:

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

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

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

Consequent to appointment of Director by Blackstone Group, the Private Equity Investor in terms of the Agreement, the Board was reconstituted in compliance with the prescribed corporate governance code by nominating Mr. Umesh Kumar Shetty, Executive Director of the Company, on the Board of Ecu Hold NV, the wholly owned subsidiary company engaged in the business of logistic service provider across the globe, as non-executive director. Upon such nomination on the Board of wholly owned subsidiary, Mr. Umesh Shetty ceased to be the Director of the Company.

Report on Corporate Governance

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

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

Name of the Director	Nature of Directorship	No. of Directorship in other public companies	No. of Committee positions held in other public companies	
			Chairman	Member
Mr. Shashi Kiran Shetty	Promoter, Executive Director	1	-	-
Mrs. Arathi Shetty	Promoter, Executive Director	1	-	-
Mr. Adarsh Hegde	Promoter, Executive Director	-	-	-
Mr. Umesh Shetty*	Promoter, Executive Director	-	-	-
Mr. Kaiwan Kalyaniwalla	Non Executive Independent Director	1	-	-
Mr. Keki Elavia	Non Executive Independent Director	8	3	5
Mr. Satish Gupta	Non Executive Independent Director	-	-	-
Mr. Rajiv Sahney	Non Executive Independent Director	1	-	-
Mr. Akhilesh Gupta	Non Executive Director nominated by Blackstone	4	-	1

* Ceased to be Director w.e.f. December 31, 2008

Notes:

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

Board Meetings and Attendance:

The Board of Directors meets at least once in a quarter and the maximum time gap between two meetings is not more than four months. Dates for the Board meetings are decided well in advance and communicated to the Directors. In case of exigencies or urgency of matters, resolutions are passed by circulation. Additional meetings of the Board are held as and when deemed necessary by the Board. 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. Information as prescribed under Annexure IA to Clause 49 is being made available to the Board from time to time.

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

During the year ended December 31, 2008 the Board met 9 times on January 22, 2008, January 31, 2008, February 19, 2008, March 19, 2008, March 27, 2008, April 24, 2008, June 26, 2008, July 24, 2008 and October 25, 2008

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 August 12, 2008
Mr. Shashi Kiran Shetty	8	Yes
Mrs. Arathi Shetty	5	No
Mr. Adarsh Hegde	7	Yes
Mr. Umesh Shetty	3	Yes
Mr. Kaiwan Kalyaniwalla	9	Yes
Mr. Keki Elavia	9	Yes
Mr. Satish Gupta	5	Yes
Mr. Rajiv Sahney	4	No
Mr. Akhilesh Gupta	4	No

Profile of Directors seeking appointment / re-appointment

In accordance with the provisions of the Companies Act, 1956 and that of Articles of Association of the Company, Mrs. Arathi Shetty and Mr. Kaiwan Kalyaniwalla are retiring by rotation and being eligible, offer themselves for re-appointment. Their brief profile is as under:

Mrs. Arathi Shetty

Mrs. Arathi Shetty, aged 43 years, holds a Bachelor of Arts degree and is associated with the group since 1988. She has a vast experience of over twenty years in the business and has an understanding of the intricacies of logistic business. Mrs. Arathi Shetty handles customer relations and related issues which are of paramount importance in the service industry. She actively participates and contributes to various policy decisions at Board Meetings of the Company and other forums.

Mrs. Arathi Shetty holds 751,944 equity shares constituting 3.36% of the total paid up capital of the Company.

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

Sr. No.	Name of the Companies
1.	Transindia Freight Services Pvt Ltd
2.	Transindia Freight Pvt Ltd
3.	Allcargo Movers (Bombay) Pvt Ltd
4.	Alltrans Port Management Pvt Ltd
5.	Sealand Cranes Pvt Ltd
6.	Allcargo Shipping Services Pvt Ltd
7.	Allnet Infotech Pvt Ltd
8.	Jupiter Machines Pvt Ltd
9.	N. R. Holdings Pvt Ltd
10.	Avadh Marketing Pvt Ltd
11.	Contech Transport Services Pvt Ltd
12.	Prominent Estate Holdings Pvt Ltd

Sr. No. Name of the Companies

13.	Contech Estate Pvt Ltd
14.	SKS Netgate Pvt Ltd
15.	Avash Builders Pvt Ltd
16.	Energy Health Spas Pvt Ltd
17.	ECU International Asia Pvt Ltd
18.	Hindustan Cargo Ltd
19.	SKS Realty Pvt Ltd
20.	AGL Ports Pvt Ltd
21.	AGL Projects Pvt Ltd
22.	AGL Terminals Pvt Ltd
23.	AGL Warehousing Pvt Ltd
24.	Avash Builders And Infrastructure Pvt Ltd
25.	India Tourist And Heritage Village Pvt Ltd
26.	Sealand Terminals Pvt Ltd
27.	SKS Ventures Pvt Ltd
28.	Talentos (India) Pvt Ltd
29.	Talentos Entertainment Pvt Ltd
30.	ECU Line (India) Pvt Ltd

Mr. Kaiwan Kalyaniwalla

Mr. Kaiwan Kalyaniwalla, aged 44 years, is a Solicitor and Advocate of the Bombay High Court and a Partner of the law firm M/s Maneksha & Sethna in Mumbai. He has been in practice for over 20 years. Mr. Kalyaniwalla is enrolled as a Solicitor of the Supreme Court of England and Wales. He is on the board of various Indian and foreign companies and advises private sector corporates, multinational banks, transport and logistics companies and some of India's largest property development companies and business houses. His practice is predominantly in the field of corporate laws, property laws, tax laws and general commercial laws. Mr. Kalyaniwalla has been an active member of the Managing Committee of the Bombay Incorporated Law Society.

Mr. Kalyaniwalla holds 10,035 equity shares constituting 0.04% of the total paid up capital of the Company.

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

Sr. No. Name of the Companies

1.	Synchro Investments Pvt. Ltd.
2.	Bombay Metals & Alloy Manufacturing Co. Pvt. Ltd.
3.	Iron and Metal Traders Pvt. Ltd.
4.	MHTC Logistics Pvt. Ltd.
5.	Ecuhold NV
6.	Ecu International NV
7.	Sealand Warehousing Pvt Ltd
8.	Sealand Ports Pvt Ltd
9.	Avash Logistic Park Pvt Ltd
10.	Gujarat Integrated Maritime Complex Pvt Ltd
11.	Hindustan Cargo Ltd

3. COMMITTEES OF BOARD

The Board has constituted committees comprising of executive, non-executive and independent directors to focus on critical functions of the Company and also for smooth and efficient business operations. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of these committees in line with the laws of the land. The 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.

Currently, the Board has five committee, viz.,

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

AUDIT COMMITTEE:

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

Terms of Reference:

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

Meetings of the Committee:

During the year under review, the Audit Committee met 5 times on January 31, 2008, April 24, 2008, June 26, 2008, July 24, 2008 and October 25, 2008.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Keki Elavia - Chairman	Non-Executive Independent Director	5	5
Mr. Kaiwan Kalyaniwalla	Non-Executive Independent Director	5	5
Mr. Satish Gupta	Non-Executive Independent Director	5	3
Mr. Akhilesh Gupta*	Non-Executive Director	4	4

*Mr. Akhilesh Gupta, Non Executive Director was inducted as a member of the Committee with effect from April 24, 2008

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

COMPENSATION / REMUNERATION COMMITTEE:**Terms of Reference:**

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

Remuneration Policy:

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

Non-Executive Directors are paid remuneration by way of sitting fees @ Rs. 20,000 for attending meeting of the Board of Directors and Rs. 5,000 for attending meeting of the Audit Committee, Compensation / Remuneration Committee 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 are as under:

(Amount in Rs.)

Name of the Director	Category	Salary, Allowances and Perquisites	Sitting Fees	Commission
Mr. Shashi Kiran Shetty	Promoter, Executive Director	8,204,843	Nil	20,000,000
Mrs. Arathi Shetty	Promoter, Executive Director	2,016,000	Nil	10,000,000
Mr. Adarsh Hegde	Promoter, Executive Director	5,220,395	Nil	20,000,000
Mr. Umesh Shetty	Promoter, Executive Director	4,647,980	Nil	20,000,000
Mr. Kaiwan Kalyaniwalla	Non Executive Independent Director	Nil	280,000	2,000,000
Mr. Keki Elavia	Non Executive Independent Director	Nil	255,000	1,000,000
Mr. Satish Gupta	Non Executive Independent Director	Nil	150,000	Nil
Mr. Rajiv Sahney	Non Executive Independent Director	Nil	80,000	Nil
Mr. Akhilesh Gupta	Non Executive Director	Nil	100,000	Nil

Meetings of the Committee:

During the year under review, the Committee met 6 times on January 16, 2008, March 19, 2008, May 20, 2008, June 26, 2008, July 24, 2008 & October 25, 2008.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Kaiwan Kalyaniwalla, Chairman	Non-Executive Independent Director	6	6
Mr. Keki Elavia	Non-Executive Independent Director	6	6
Mr. Satish Gupta	Non-Executive Independent Director	6	3

SHARE TRANSFER / INVESTORS' GRIEVANCE COMMITTEE:

Terms of Reference:

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

Meetings of the Committee:

During the year under review, the Committee met 4 times on January 31, 2008, April 24, 2008, August 25, 2008 & October 25, 2008. Composition of the Committee & attendance of each member at the meeting of the Committee held during the year:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Kaiwan Kalyaniwalla, Chairman	Non-Executive Independent Director	4	4
Mr. Satish Gupta	Non-Executive Independent Director	4	2
Mr. Shashi Kiran Shetty	Executive Director	4	4

Compliance Officer:

The Board has appointed Mr. Shailesh Dholakia, Company Secretary, as the Compliance Officer for complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 and 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 3 complaints from shareholders and the same have been redressed to their satisfaction. No request for transfer and for dematerialisation were pending for approval as on December 31, 2008.

EXECUTIVE COMMITTEE:

Terms of Reference:

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

Meetings of the Committee:

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Shashi Kiran Shetty, Chairman	Executive Director	12	12
Mrs. Arathi Shetty	Executive Director	12	12
Mr. Adarsh Hegde	Executive Director	12	11

SHARE ALLOTMENT COMMITTEE:

Terms of Reference:

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

Meetings of the Committee:

During the year under review, the Committee met 4 times on March 27, 2008, May 20, 2008, July 24, 2008 & October 25, 2008.

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

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

4. GENERAL BODY MEETINGS

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

Meeting	Date and Time	Venue	Special Resolutions Passed
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 Independent Director of the Company, from Ecu Hold N.V., wholly owned subsidiary of the company, u/s 314 of the Companies Act, 1956. 5. Payment of commission out of profits to Non-executive Directors of the Company u/s 309 (4) (b) of the Companies Act, 1956.

No resolution was passed through postal ballot during last three Annual General Meetings and the year under review and no resolution is proposed to be passed through postal ballot.

EXTRA-ORDINARY GENERAL MEETING:

- Meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Company were convened and held at the directions of the Hon'ble Bombay High Court on January 22, 2008 for seeking their approval to the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956, comprising of de-merger of the Project and Equipment Division by M/s Transindia Freight Services Pvt. Ltd. in favour of the Company.
- An Extra-Ordinary General Meeting of the members of the Company was held on March 19, 2008, for obtaining the members approval for:
 - Issue of Equity Shares, Fully and Compulsorily Convertible Debentures and Warrants u/s 81 (1A) of the Companies Act, 1956 read with SEBI (Disclosure and Investor Protection) Guidelines, 2000 to Blackstone Group Entities on Preferential basis;
 - Appointment of Mr. Umesh Shetty as Whole Time Director u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956; and
 - Increase in remuneration payable to Mr. Adarsh Hegde, Whole Time Director u/s 198, 309 and 310 read with Schedule XIII of the Companies Act, 1956.

5. DISCLOSURES:

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

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

(B) Details of non-compliance, if any, with regard to Capital Market

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

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

(c) Disclosure of Accounting Treatment

There is no deviation in following the treatment prescribed in any Accounting Standard in preparation of financial statements for the year ended on December 31, 2008.

(d) Board Disclosures Risk Management

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

(e) Proceeds from Preferential Issue

During the year under review, the Company had raised Rs. 1,304.28 million by issue and allotment of Equity Shares, Fully and Compulsorily Convertible Debentures and Warrants to Blackstone Group Entities on Preferential basis. The proceeds from the preferential issue were partly utilized towards meeting requirements for the Company's on-going capital expenditure as well as for expansion projects, partly for normal capital expenditure and to augment working capital needs and to reduce the debt of the Company.

(f) Certification from CEO and CFO

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

(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 are also simultaneously displayed on the Company's website www.allcargoglobal.com. The financial results, quarterly and annual results and other statutory information were communicated to the shareholders by way of advertisement in english daily Business Standard and in a vernacular language newspaper 'Sakal' as per the 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. 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 attached at the end of this report.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report is attached and form part of this Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

(a)	Annual General Meeting	
	Day, Date & Time	Friday, June 12, 2009
	Venue	Registered office at Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (E), Mumbai – 400 098
(b)	Tentative Financial Calendar for 2009	
	Financial Year	January 1, 2009 to December 31, 2009
	Board Meetings for approval of quarterly results	
	1st Quarter ending on March 31, 2009	April 30, 2009
	2nd Quarter ending on June 30, 2009	July 30, 2009
	3rd Quarter ending on September 30, 2009	October 29, 2009
	4th Quarter ending on December 31, 2009	January 28, 2010
(c)	Book Closure Period	June 8, 2009 to June 12, 2009 (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

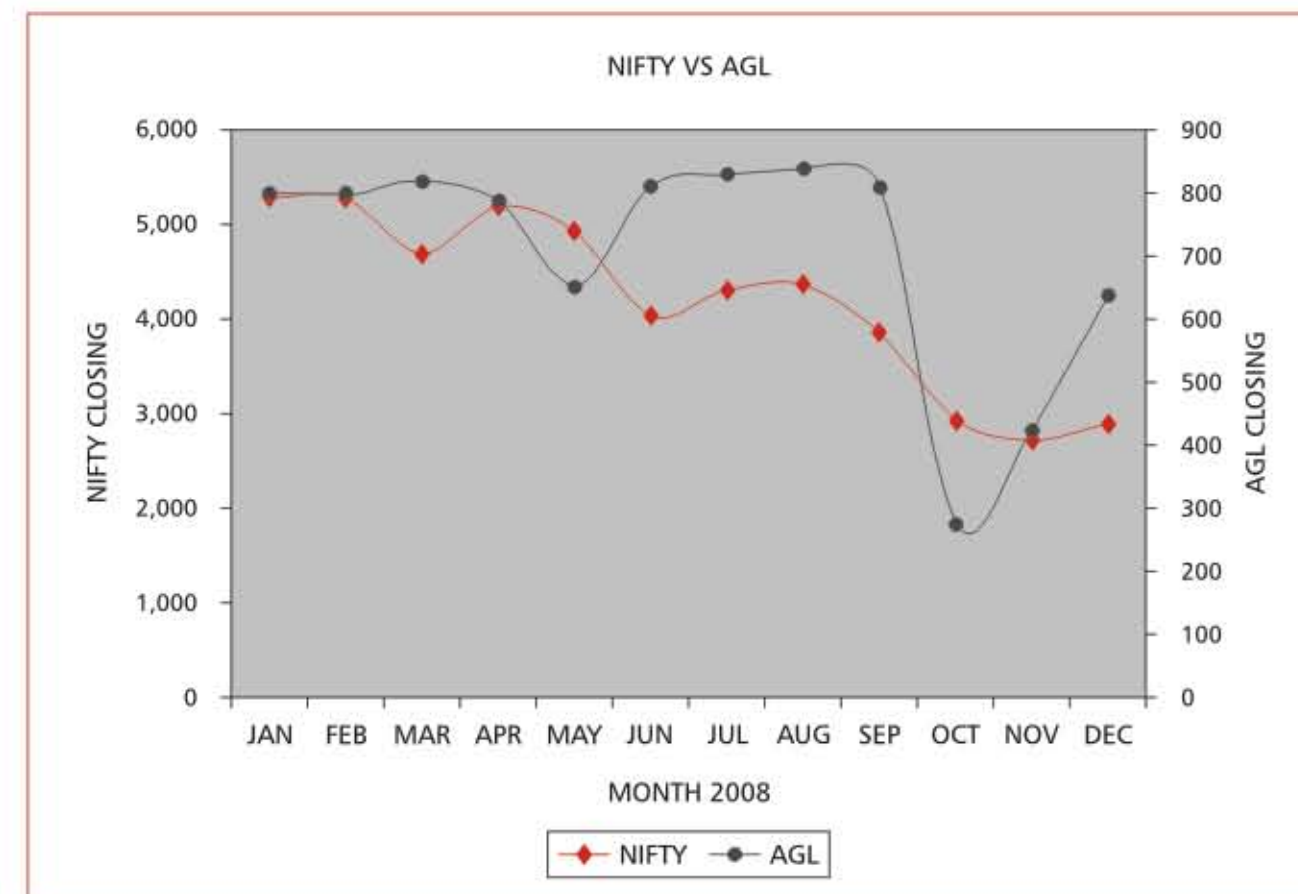
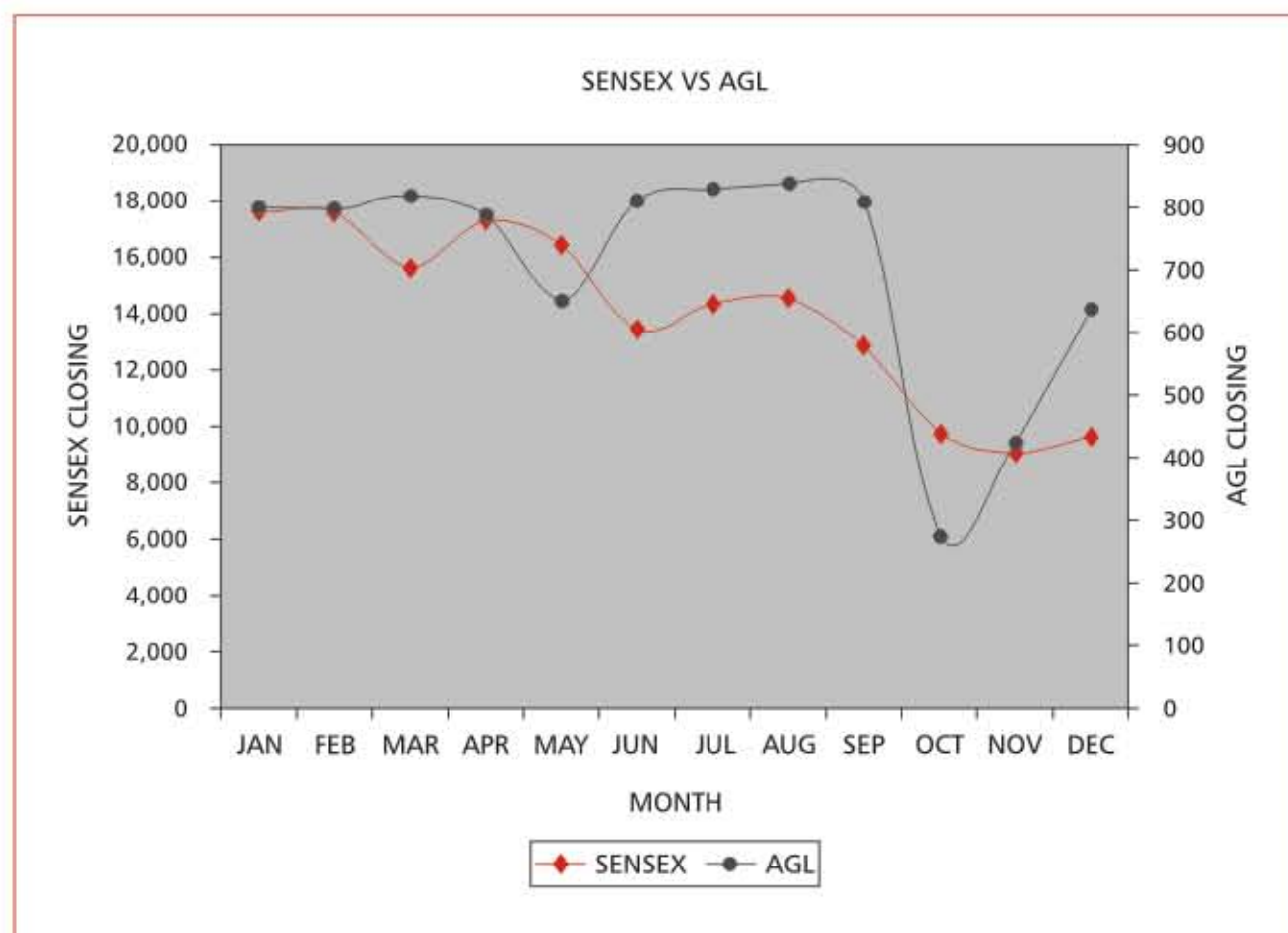
(g) Market Price Data

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

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
January, 08	974.00	609.80	413,208	974.00	592.00	247,714
February, 08	844.00	640.00	1,356,949	848.00	632.00	531,901
March, 08	869.70	730.20	307,283	870.00	670.05	203,587
April, 08	839.95	770.00	117,923	829.00	750.00	110,149
May, 08	820.00	641.00	66,965	850.00	649.80	83,968
June, 08	845.00	620.00	276,210	841.00	630.00	194,383
July, 08	849.95	705.00	376,933	849.60	722.00	255,849
August, 08	878.00	794.65	298,510	856.00	800.10	283,610
September, 08	950.00	755.05	468,522	950.00	750.00	425,609
October, 08	822.35	271.85	440,208	829.90	280.30	325,565
November, 08	584.90	285.00	65,259	584.00	295.00	369,395
December, 08	666.00	388.25	482,133	671.15	390.00	351,159

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

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



(i) Share Transfer System

The Company's equity shares which are in compulsorily dematerialized (demat) form are transferable through the depository system. Equity Shares in physical form are processed by the Registrar and Share Transfer Agents, Link Intime India Private Limited (Formerly known as 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 of the documents, if they are complete in all respects.

(j) Dematerialization of Shares and Liquidity

Equity shares of the Company are compulsorily traded in dematerialized form and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) from June 23, 2006 onwards. The International Security Identification Number (ISIN) allotted to the Company under Depository System is INE418H01011. As on December 31, 2008, 21,580,848 equity shares of Rs. 10 each, representing 96.50% of the Company's total paid up capital, have been held in dematerialized form.

(k) Investor Help Desk & Registrar and Transfer Agent

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

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

Contact Person:

Mr. Rajesh Mishra

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

Mr. Shailesh Dholakia

Company Secretary & Compliance Officer

Allcargo Global Logistics Limited

Diamond Square, 5th Floor,

CST Road, Kalina, Santacruz (East),

Mumbai - 400 098.

Tel: 022 - 6679 8100, Fax : 022 - 2667 5834.

Email: investor.relations@allcargoglobal.com

(I) Distribution of Shareholding

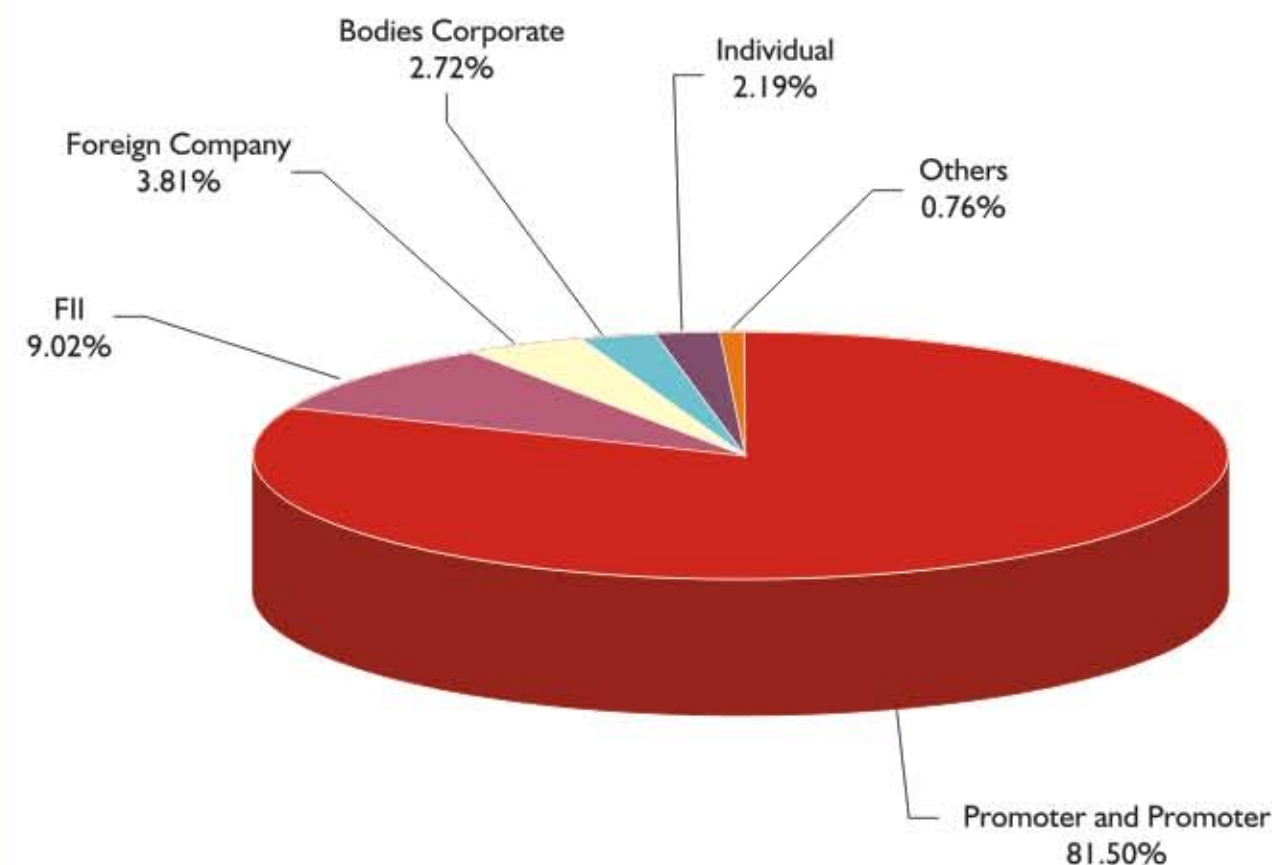
Distribution of Shareholding as on December 31, 2008:

Shareholding (no. of shares) (From - To)	No. of Shareholders	% to total no. of Shareholders	No. of shares	% to total no. of shares
1 - 500	3,915	95.91	176,724	0.79
501 - 1000	63	1.54	51,785	0.23
1001 - 2000	38	0.93	57,951	0.26
2001 - 3000	11	0.27	25,851	0.12
3001 - 4000	7	0.17	25,009	0.11
4001 - 5000	3	0.07	13,200	0.06
5001 - 10000	14	0.34	105,547	0.47
10001 onwards	30	0.76	21,907,544	97.96
TOTAL	4,081	100.00	22,363,611	100.00

Shareholding Pattern as on December 31, 2008:

Category	No. of Shares held	% holding
Indian Promoters	18,226,805	81.50
Private Corporate Bodies	608,752	2.72
FII's / Foreign Companies / NRIs	2,876,964	12.86
Indian Public	488,684	2.19
Directors and their Relatives	19,082	0.09
Trust	74,052	0.33
Clearing Members	69,272	0.31
Total	22,363,611	100.00

Shareholding Pattern as on December 31, 2008:



Outstanding ADRs / GDRs :

The Company has not issued any ADRs / GDRs. However, as mentioned in this report, the Company had, during the year under review, issued and allotted convertible instruments on preferential basis to Blackstone Group Entities in accordance with the provisions of Section 81(A) of the Companies Act, 1956 read with SEBI (Disclosure and Investor Protection) Guidelines, 2000 on preferential issue of securities, as detailed hereunder:

1. On March 27, 2008, issued and allotted 6% 1,081,081 Fully and Compulsorily Convertible Debentures (FCCDs) of Rs. 934 each aggregating Rs. 1,009.73 million. These FCCDs shall be compulsorily converted 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 their allotment; and
2. On March 27, 2008, issued and allotted 1,513,514 Warrants of Rs. 10 each. These Warrants shall be converted into equal number of equity shares at the option of the Warrant holders at any time before completion of period of 18 months from the date of their allotment at a price ranging from Rs. 934 per Equity Share / Warrant to Rs. 1,284 per Equity Share / Warrant. The Company has received Rs. 293.62 million @ Rs. 194 per Warrant upfront from the Warrant holders.

(m) Office Locations**Branches at:**

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

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

Kukreja Centre,
A Wing, Office. 206, 2nd 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.

402, 3rd Floor,
Oxford Chambers,
Rustom Baugh,
Main Road, Kodihalli,
Bangalore - 560 017,
Karnataka, India.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dronagiri Railway Terminal,
(DRT) (CWC),
Opp. Punjab Conware, Sector II,
Dronagiri Node, Shed No. 4,
Paghote Village, Uran - 400 705,
Maharashtra, India.

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

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

Container Freight Stations at:

Coprol Village,
Taluka - Uran, Nr. JNPT area
Dist - Raigad - 410 212,
Maharashtra, India.

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

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

DECLARATION

To,
The Members of
Allcargo Global Logistics Limited

I, Shashi Kiran Shetty, Chairman & Managing Director of Allcargo Global Logistics Limited ("the Company"), hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct, laid down and adopted by the Company, during the year ended December 31, 2008.

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, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges ("Prescribed Code").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement except that the composition of Board of Directors during the period commencing from March 27, 2008 to December 31, 2008 deviated from the prescribed code due to the appointment of a Non Executive Director nominated by the Private Equity Investors pursuant to the Investment Agreement. However, this deviation was rectified to comply with the prescribed code as on December 31, 2008.

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

For Mehta & Mehta
Company Secretaries

Place : Mumbai
Date : April 30, 2009

Dipti Mehta
Partner
Membership No. 3667

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, 2008

No.	Name of the Subsidiary Company	The Financial Year of the Subsidiary Company ended on	Holding Company	Extent of holding (%)	Face value of share	Number of shares held by the holding company and/or its subsidiaries	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is dealt with in account of holding company:		Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in account of holding company:	
							For the financial year ended on	For the previous financial years of the subsidiary since it became a subsidiary	For the financial year ended on	For the previous financial years of the subsidiary since it became a subsidiary
							Dec. 31, 2008	(Amt in '000)	Dec. 31, 2008	(Amt in '000)
1	Hindustan Cargo Ltd	31-Dec-08	Allcargo Global Logistics Ltd	100.00	Rs.10	250,000	Nil	Nil	19,698.26	6,070.13
2	Contech Transport Services Pvt. Ltd.	31-Dec-08	Allcargo Global Logistics Ltd	100.00	Rs.10	10,000	Nil	Nil	19.25	226.00
3	Ecu Line (India) Private Limited	31-Dec-08	Allcargo Global Logistics Ltd	100.00	Rs.10	9,999	Nil	Nil	(36.66)	(36.66)
4	AGL Ports Pvt. Ltd.	31-Dec-08	Allcargo Global Logistics Ltd	99.99	Rs.10	9,999	Nil	Nil	(45.59)	0.00
5	AGL Projects Pvt. Ltd.	31-Dec-08	Allcargo Global Logistics Ltd	99.99	Rs.10	9,999	Nil	Nil	(47.24)	0.00
6	AGL Terminals Pvt. Ltd.	31-Dec-08	Allcargo Global Logistics Ltd	99.99	Rs.10	9,999	Nil	Nil	(315.97)	0.00
7	AGL Warehousing Pvt. Ltd.	31-Dec-08	Allcargo Global Logistics Ltd	99.99	Rs.10	9,999	Nil	Nil	(45.59)	0.00
8	Allcargo Logistic Park Pvt.Ltd.	31-Mar-09	Allcargo Global Logistics Ltd	51.00	Rs.10	841,500	Nil	N.A.	1,408.77	N.A.
9	Ecu International (Asia) Pvt. Ltd.	31-Dec-08	Ecu Hold NV	100.00	Rs.10	52,341	Nil	Nil	(10.79)	1,660.48
10	Ecu Line Abu Dhabi LLC	31-Dec-08	Ecu Hold NV	51.00	AED 1500	49	Nil	Nil	2,753.14	2,857.71
11	Ecu Line Algeria	31-Dec-08	Ecu Hold NV	100.00	DZD 1000	1,000	Nil	Nil	11,290.14	10,924.60
12	Ecu Logistics SA	31-Dec-08	Ecu Hold NV	100.00	ARS 1	16,000	Nil	Nil	2,671.64	3,115.40
13	Ecu Australia Pty. Ltd.	31-Dec-08	Ecu Hold NV	60.00	AUD 1	60,000	Nil	Nil	3,927.95	(671.48)
14	Ecu Hold NV	31-Dec-08	Allcargo Belgium NV & RMK NV	100.00	EURO 19.55	160,546	Nil	Nil	(23,208.21)	67,363.66
15	Allcargo Belgium N.V.	31-Dec-08	Allcargo Global Logistics Ltd	100.00	EURO 1000	11,500	Nil	Nil	(16,062.18)	(25,842.45)
16	EcuBro N.V.	31-Dec-08	Ecu Hold NV	100.00	EURO 743.81	105	Nil	Nil	(1,824.11)	(14,243.74)
17	Ecu International N.V.	31-Dec-08	Ecu Hold NV	100.00	EURO 24.80	2,500	Nil	Nil	9,203.22	(52,620.54)
18	Ecu-Tech BVBA	31-Dec-08	Ecu Hold NV	100.00	EURO 24.79	750	Nil	Nil	(3,307.30)	(1,208.24)
19	Ecu-Line N.V.	31-Dec-08	Ecu Hold NV	100.00	EURO 1278.35	970	Nil	Nil	20,044.15	56,163.56
20	Ecu-Logistics N.V.	31-Dec-08	Ecu Hold NV	100.00	EURO 24.79	27,750	Nil	Nil	827.61	(12,742.77)
21	Ecu-Trans N.V.	31-Dec-08	Ecu Hold NV	100.00	EURO 24.80	5,000	Nil	Nil	1,178.99	(9,065.86)
22	D & E Transport NV	31-Dec-08	Ecu Line NV	100.00	EURO 100	620	Nil	Nil	(560.33)	(1,984.52)
23	RMK NV	31-Dec-08	Allcargo Belgium NV	100.00	EURO 1646.72	10,000	Nil	Nil	(10,138.49)	(43,724.64)
24	Ecu Air NV	31-Dec-08	Ecu Hold NV	100.00	EURO 10	40,000	Nil	Nil	(14,140.07)	(11,035.04)
25	IPTS NV	31-Dec-08	Ecu Hold NV	100.00	EURO 24.83	25,000	Nil	Nil	(1,423.52)	(154,361.03)
26	Ecu Logistics do Brasil Ltda	31-Dec-08	Ecu Hold NV & Ecu International NV	100.00	BRL 1	100	Nil	Nil	(65,037.53)	(75,190.08)
27	Flamingo Line do Brasil Ltda	31-Dec-08	Ecu Logistics do Brasil Ltda	100.00	BRL 1	50,000	Nil	Nil	(6,835.72)	(18,237.37)
28	Ecu Line Bulgaria EOOD	31-Dec-08	Ecu Hold NV	100.00	BGN 50	100	Nil	Nil	-	-
29	Ecu-Line Canada Inc.	31-Dec-08	Ecu Hold NV	50.00	CAD 1	100	Nil	Nil	6,698.10	7,389.03
30	Ecu Line Chile S.A.	31-Dec-08	Ecu Hold NV	100.00	CLP 100000	300	Nil	Nil	1,464.91	(424.72)
31	Cargo Freight Station SA	31-Dec-08	Ecu Hold NV	50.00	CLP 1000	10,800	Nil	Nil	-	-
32	Flamingo Line Chile SA	31-Dec-08	Ecu Hold NV	100.00	CLP 10000	100	Nil	Nil	19.29	593.69
33	Ecu Line Guangzhou Ltd.	31-Dec-08	Ecu Line Hong Kong Ltd	100.00	HKD 1	5,990,000	Nil	Nil	596.67	1,624.43
34	Ecu Line De Columbia S.A.	31-Dec-08	Ecu Hold NV	100.00	COP 1000	369,102	Nil	Nil	2,328.31	3,740.54
35	Conecti International S.A.	31-Dec-08	Ecu Hold NV	100.00	CRC 200	100	Nil	Nil	(2,911.28)	(3,835.93)
36	Ecu Line Middleeast LLC	31-Dec-08	Ecu Hold NV	86.00	AED 1000	147	Nil	Nil	107,664.42	111,753.96
37	Euro Centre - Dubai	31-Dec-08	Ecu Hold NV	86.00	AED 100000	11	Nil	Nil	6,289.16	30,971.97
38	Asia Lines Ltd.	31-Dec-08	Allcargo Global Logistics Ltd	100.00	EURO 100	10,000	Nil	Nil	(14,145.63)	N. A.
39	Ecu Heavy Lift, W.L.L	31-Dec-08	Asia Lines Ltd	49.00		49,000	Nil	Nil	(9,036.19)	N. A.
40	Ecu Line Del Ecuador S.A.	31-Dec-08	Ecu Hold NV	100.00	USD 4	450	Nil	Nil	1,530.98	(394.87)
41	Flamingo Line Ecuador	31-Dec-08	Ecu Hold NV	100.00	USD 5	800	Nil	Nil	(281.75)	(292.51)
42	Ecu Line Egypt Ltd	31-Dec-08	Ecu Hold NV	100.00	EGP 500	200	Nil	Nil	8,682.48	2,263.61
43	Flamingo Line El Salvador SA de CV	31-Dec-08	Ecu Hold NV	66.67	USD 11.43	800	Nil	Nil	25.66	(17.20)
44	Ecu-Line (Germany) GmbH	31-Dec-08	Ecu Hold NV	100.00	EURO 511.29	26,092	Nil	Nil	(3,762.95)	(8,210.49)
45	ELWA (GH) Ltd.	31-Dec-08	Ecu Hold NV	100.00	GHC 2727	10,000	Nil	Nil	351.13	1,045.89

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, 2008

No.	Name of the Subsidiary Company	The Financial Year of the Subsidiary Company ended on	Holding Company	Extent of holding (%)	Face value of share	Number of shares held by the holding company and/or its subsidiaries	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is dealt with in account of holding company:		Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in account of holding company:	
							For the financial year ended on	For the previous financial years of the subsidiary since it became a subsidiary	For the financial year ended on	For the previous financial years of the subsidiary since it became a subsidiary
							Dec. 31, 2008	(Amt in '000)	Dec. 31, 2008	(Amt in '000)
46	Ecu Line Guatemala	31-Dec-08	Ecu Hold NV	66.67	GTQ 100	40	Nil	Nil	260.40	(31.71)
47	Ecu-Line Hong Kong Ltd.	31-Dec-08	Ecu Hold NV	60.00	HKD 1	900,000	Nil	Nil	1,419.18	1,707.13
48	Ecu International Far East Ltd	31-Dec-08	Ecu Hold NV	100.00	HKD 1	10,000	Nil	Nil	3,924.81	7,589.50
49	Ecu Line Italy SRL	31-Dec-08	Ecu Hold NV	100.00	EURO 5.77	10,400	Nil	Nil	1,712.78	1,712.78
50	Ecu Line Italy TRC SRL	31-Dec-08	Ecu Line Italy SRL	100.00	EURO 1	55,000	Nil	Nil	(3,579.73)	(11,271.84)
51	Ecu Line Cote d'Ivoire Sarl	31-Dec-08	Ecu Hold NV	100.00	XOF 10000	100	Nil	Nil	1,117.11	(7,647.85)
52	Ecu Line Japan Ltd.	31-Dec-08	Ecu Hold NV	65.00	JPY 50000	390	Nil	Nil	1,557.03	(46,286.72)
53	Ecu Line Jordan	31-Dec-08	Ecu Hold NV	100.00	JOD 1	30,000	Nil	Nil	559.82	(245.95)
54	Ecu Line Kenya Ltd	31-Dec-08	Ecu Hold NV	82.00	KES 5000	656	Nil	Nil	1,556.46	9,008.26
55	Ecu Shipping Logistics (K) Ltd	31-Dec-08	Ecu Line Kenya Ltd	100.00	KES 1000	1,000	Nil	Nil	(31.14)	(30.08)
56	ECU-Line (JB) SDN BHD	31-Dec-08	Ecu Hold NV	85.00	MYR 1	170,000	Nil	Nil	4,497.48	12,868.62
57	Ecu-Line Malta Ltd.	31-Dec-08	Ecu Hold NV	100.00	MTL 1	5,000	Nil	Nil	-	286.67
58	Ecu-Line (Indian Ocean Islands) Ltd.	31-Dec-08	Ecu Hold NV	89.93	MUR 1000	607	Nil	Nil	2,465.15	2,382.63
59	AMI Ventures Ltd.	31-Dec-08	Ecu International Far East Ltd	100.00	USD 1	1,000	Nil	Nil	11,223.66	115,067.67
60	Ecu Line Mediterranean Ltd.	31-Dec-08	Ecu Hold NV	55.00	CYP 1	2,750	Nil	Nil	13.90	24.80
61	CELM Logistics S.A. De C.V.	31-Dec-08	Ecu Hold NV	100.00	MXP 1	50,000	Nil	Nil	(10,151.95)	(4,385.44)
62	Ecu Logistics de Mexico SA de CV	31-Dec-08	Ecu International NV	100.00	MXP 1	50,000	Nil	Nil	4,366.47	3,685.98
63	Ecu Line Maroc SA	31-Dec-08	Ecu Hold NV	100.00	MAD 100	3,500	Nil	Nil	12,917.49	12,980.15
64	Ecu Line Rotterdam	31-Dec-08	Ecu Hold NV	100.00	EURO 10	85,400	Nil	Nil	20,639.65	(20,205.94)
65	Ecu Line New Zealand Ltd.	31-Dec-08	Ecu Hold NV	60.00	NZD 1	63,000	Nil	Nil	626.24	1,140.40
66	Ecu-Line Panama S.A.	31-Dec-08	Ecu Hold NV	100.00	USD 1000	25	Nil	Nil	1,625.63	(1,806.20)
67	Ecu-Line Paraguay S.A.	31-Dec-08	Ecu Hold NV	100.00	PYG 10 Million	5	Nil	Nil	1,206.48	145.43
68	Ecu-Line Peru S.A.	31-Dec-08	Ecu Hold NV	70.00	PEN 10	3,500	Nil	Nil	5,130.08	4,886.60
69	Flamingo Line Peru S.A.	31-Dec-08	Ecu Hold NV	70.00	PEN 1	15,400	Nil	Nil	743.80	717.58
70	Ecu Line Philippines Inc.	31-Dec-08	Ecu Hold NV	100.00	PHP 10000	1,000	Nil	Nil	1,003.14	1,089.00
71	Ecu-Line Polska Sp. z o.o. UL	31-Dec-08	Ecu Hold NV	100.00	PLN 500	100	Nil	Nil	1,414.86	913.69
72	Ecu Line Doha W.L.L.	31-Dec-08	Ecu Hold NV	100.00	QAR 1000	200	Nil	Nil	6,839.00	8,809.98
73	Ecu-Line Romania SRL	31-Dec-08	Ecu Hold NV	100.00	RON 53	100	Nil	Nil	364.95	533.57
74	Rotterdam Freight Station BV	31-Dec-08	IPTS	100.00	EURO 10	1,800	Nil	Nil	(581.74)	(1,547.46)
75	Ecu Line Singapore Pte. Ltd.	31-Dec-08	Ecu Hold NV	100.00	SGD 1	250,000	Nil	Nil	24,956.67	35,104.18
76	Ecu Line SA (Pty.) Ltd.	31-Dec-08	Ecu Hold NV	90.00	ZAR 1	90	Nil	Nil	5,616.36	11,143.48
77	Ecu Line Spain S.L.	31-Dec-08	Ecu Hold NV	100.00	EURO 0.61	200,000	Nil	Nil	5,927.30	227.82
78	Mediterranean Cargo Centers S.L.	31-Dec-08	Ecu Line Spain S.L.	80.00	EURO 10	9,600	Nil	Nil	(7,226.86)	(19,549.32)
79	Ecu Line (Thailand) Co.Ltd	31-Dec-08	Ecu Hold NV	57.00	THB 100	28,500	Nil	Nil	4,981.20	13,952.96
80	Ecu Line Tunisia sarl	31-Dec-08	Ecu Hold NV	100.00	TND 100	1,000	Nil	Nil	(139.74)	(7,914.40)
81	Ecu Line Turkey	31-Dec-08	Ecu Hold NV	100.00	TRY 125	1,200	Nil	Nil	1,325.84	(2,483.20)
82	Ecu-Line UK Ltd.	31-Dec-08	Ecu Hold NV	100.00	GBP 1	700,100	Nil	Nil	(1,399.27)	3,294.15
83	Ecu-Line Uruguay (Deolix SA)	31-Dec-08	Ecu Hold NV	100.00	UYU 100	10,000	Nil	Nil	1,536.74	1,355.89
84	Compania Logistica de Distribucion SA	31-Dec-08	AMI Ventures	100.00	UYU 1	1	Nil	Nil	4,736.19	(1,777.65)
85	ELV Multimodal C.A.	31-Dec-08	Ecu Hold NV	100.00	VEB 1000	24,000	Nil	Nil	9,982.78	31,636.92
86	Venezuela - AHL	31-Dec-08	Ecu Hold NV	100.00	VEB 1000	1,000	Nil	Nil	2,049.12	3,816.25
87	Consolidadora Ecu-Line CA	31-Dec-08	Ecu Hold NV	100.00	VEB 1	400	Nil	Nil	-	-
88	Ecu-Line Vietnam	31-Dec-08	Ecu Hold NV	51.00	USD 1	51,000	Nil	Nil	3,933.88	1,258.90
89	Ecu Line Zimbabwe (Pty.) Ltd.	31-Dec-08	Ecu Hold NV	70.00	ZWD 1	546,000	Nil	Nil	-	-
90	Ecu Line China Ltd.	31-Dec-08	Ecu Hold NV	51.00	HKD 1	5,100	Nil	Nil	-	-

Auditors' Report

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

1. We have audited the attached Balance Sheet of **Allcargo Global Logistics Limited** as at December 31, 2008 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 accounts 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 accounts;
 - iv. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in the Companies (Accounting Standard) Rules, 2006, issued by Central Government, read together with sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of balance sheet, of the state of affairs of the Company as at December 31, 2008;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on December 31, 2008 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan
Partner

Membership No.38378

Place: Mumbai
Dated: April 30, 2009

Stand-alone Financial Statements

ANNEXURE TO THE AUDITORS' REPORT

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. Fixed Assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- ii) a. Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification.
- iii) a. The Company had granted an unsecured loan to a company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount during the year was Rs. 37,521 thousand. At the year-end, the outstanding balance of the loan granted was Rs. 37,122 thousand.
- b. In our opinion, the rate of interest and other terms and conditions of the loan were not prima facie prejudicial to the interest of the Company.
- c. 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 other than those stated hereunder which are outstanding for more than six months.

Sr. No	Name of the Statute	Period to which the amount relates	Amount in thousands
1	Service Tax	March 2008	312
2	Service Tax	May 2008	287
3	Service Tax	August 2008	81

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

Sr. No	Name of the Statute	Period to which the amount relates	Amount Disputed Rs. in thousands	Amount Paid Rs. in thousands
1	Income Tax Act	2002-2003	1,617	Nil
2	Income Tax Act	2003-2004	563	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 fund/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4(xiii) of the Order is not applicable.
- xiv) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name except investments of Rs. 4,500 thousand continued to be held in the name of demerged entity.
- xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flows of the Company, we report that funds raised on short-term basis have not been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii) The Company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has issued unsecured, unlisted and unrated 6% (Net of tax) 1,081,081 Fully and Compulsorily Convertible Debentures (FCCDs) of Rs. 934 each aggregating Rs. 1,009,730 thousand. These FCCDs shall be compulsorily converted 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 their allotment.
- 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, 2008.

For Appan & Lokhandwala Associates
Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place: Mumbai
Dated: April 30, 2009

BALANCE SHEET AS AT DECEMBER 31, 2008

(Rs. in 000's)

	Schedule	This Year	Previous Year
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	223,636	223,589
Share Warrants (Refer Note 3 of Schedule 22)		293,622	-
Employees Stock Option Outstanding	2	16,187	15,001
Reserves and Surplus	3	4,435,327	3,616,454
		4,968,772	3,855,044
LOAN FUNDS			
Secured Loans	4	1,052,845	243,792
Unsecured Loan		1,009,730	-
		2,062,575	243,792
DEFERRED TAX LIABILITY (NET)			
		200,096	101,592
		7,231,443	4,200,428
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	3,776,623	2,486,234
Less : Depreciation		624,993	385,366
Net Block		3,151,630	2,100,868
Capital Work In Progress		594,484	405,169
		3,746,114	2,506,037
INVESTMENTS			
	6	1,152,174	1,140,591
CURRENT ASSETS, LOANS AND ADVANCES			
A. Current Assets			
Interest Accrued on Investment		402	312
Spares and Consumables		19,572	14,652
Sundry Debtors	7	713,341	456,257
Cash and Bank Balances	8	326,000	146,941
		1,983,046	405,504
B. Loans and Advances			
	9	3,042,361	1,023,666
CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities			
	10	630,669	384,541
B. Provisions			
	11	79,029	86,231
		709,698	470,772
NET CURRENT ASSETS			
		2,332,663	552,894
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)	12	492	906
		7,231,443	4,200,428
Significant Accounting Policies and Notes on Accounts	22		

As per our report of even date

For Appan & Lokhandwala Associates

Chartered Accountants

SP. Palaniappan
Partner
Membership No. 38378

Place : Mumbai
Dated : April 30, 2009

For and on behalf of the Board

Shashi Kiran Shetty
Chairman & Managing Director

Keki Elavia
Director

S. Suryanarayanan
Group Chief Financial Officer

Shailesh Dholakia
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

	Schedule	This Year	Previous Year
INCOME			
Operating Income	13	5,167,914	3,600,478
Other Income	14	137,609	44,837
		5,305,523	3,645,315
EXPENDITURE			
Multimodal Transport Operations	15	2,639,478	2,043,213
Container Freight Stations	16	365,867	188,555
Equipment Hire	17	147,782	69,087
Employee Cost	18	341,794	228,490
Administrative and Selling	19	402,729	290,335
Interest	20	124,474	20,952
Depreciation	5	254,686	142,019
Preliminary Expenses Written Off		414	435
		4,277,224	2,983,086
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM			
		1,028,299	662,229
Provision For Taxation			
Current Tax		116,755	76,529
Deferred Tax		98,504	55,053
MAT Credit		(60,497)	(22,067)
Wealth Tax		116	106
Fringe Benefit Tax		9,371	6,936
		164,249	116,557
PROFIT AFTER TAX AND BEFORE EXCEPTIONAL ITEMS			
		864,050	545,672
Exceptional items (Net of tax)	21	62,686	52,164
PROFIT AFTER TAX AND AFTER EXCEPTIONAL ITEMS			
		926,736	597,836
Tax Adjustment for earlier years		(71)	(24)
Balance brought forward from Previous Year		942,366	545,441
PROFIT AVAILABLE FOR APPROPRIATIONS			
		1,869,031	1,143,253
APPROPRIATIONS :			
Interim Dividend Paid		-	40,512
Tax on Interim Dividend		-	6,885
Proposed Dividend		55,909	67,088
Tax on Proposed Dividend		9,502	11,402
General Reserve		95,000	75,000
Surplus Carried to Balance Sheet		1,708,620	942,366
		1,869,031	1,143,253
EARNING PER SHARE (Rs)			
Earnings Per Share - Basic			
Before Exceptional Items		38.65	24.91
After Exceptional Items		41.45	26.74
Earnings Per Share - Diluted			
Before Exceptional Items		37.59	24.87
After Exceptional Items		40.16	26.69
Significant Accounting Policies and Notes on Accounts	22		

As per our report of even date

For Appan & Lokhandwala Associates

Chartered Accountants

SP. Palaniappan
Partner
Membership No. 38378

Place : Mumbai
Dated : April 30, 2009

For and on behalf of the Board

Shashi Kiran Shetty
Chairman & Managing Director

Keki Elavia
Director

S. Suryanarayanan
Group Chief Financial Officer

Shailesh Dholakia
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

Particulars	This Year	Previous Year
A. Cash Flow From Operating Activities		
Net Profit Before Tax and Exceptional Items	1,028,299	662,229
Depreciation	254,686	142,019
Loss on Sale of Fixed Assets	1,527	3,308
Preliminary Expenses Written Off	414	435
Interest Payments	124,474	20,952
Employees Compensation Expenses (Stock Option)	3,201	7,276
Foreign Exchange Loss/(Gain)	(43,825)	2,983
Interest Received	(18,602)	(3,545)
Provision for Doubtful Debts	37,203	2,567
Profit on Sale of Assets	(13,899)	(160)
Profit on Sale of Investments	(30,642)	(18,007)
Bad Debts Written Off	30,612	-
Provisions For Liabilities	5,877	5,932
Dividend	(30)	(1,137)
Operating Profit Before Working Capital Changes	1,379,295	824,852
Adjustment For:		
(Increase)/Decrease in Trade and Other Receivables/Stock	(852,715)	488,286
Increase/(Decrease) in Trade Payables and Other Liabilities	246,127	42,739
Direct Taxes Paid	(129,936)	(120,506)
Net Cash From Operating Activities	642,771	1,235,371
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets (Including Capital Advances)	(1,527,195)	(1,236,698)
Purchase of Investments	(3,134,352)	(699,254)
Sale of Investments	3,221,151	827,907
Sale of Fixed Assets	40,263	10,977
Investments/Loans to Subsidiaries	(947,305)	(38,973)
Interest Received	18,602	3,545
Dividend	30	1,137
Net Cash From Investing Activities	(2,328,806)	(1,131,359)
C. Cash Flow From Financing Activities		
Receipt / Payment of Loans	1,818,783	43,153
Preliminary Expenses Incurred	-	(630)
Share Issue Expenses Incurred	(45,310)	-
Proposed Dividend	(67,088)	-
Tax on Proposed Dividend	(11,402)	-
Interim Dividend	-	(81,024)
Tax on Interim Dividend	-	(12,567)
Issue of Share Warrants	293,622	-
Issue of Share Capital including Premium	963	-
Interest Paid on Loans	(124,474)	(20,952)
Net Cash From Financing Activities	1,865,094	(72,020)
Net Increase in Cash and Cash Equivalent (A+B+C)	179,059	31,992
Cash and Cash Equivalent At The Beginning of Year	146,941	110,301
Cash and Cash Equivalent of Merged Undertaking At The Beginning of Year	-	4,648
Cash and Cash Equivalent at the end of the year	326,000	146,941

As per our report of even date

For Appan & Lokhandwala Associates

For and on behalf of the Board

Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place : Mumbai

Dated : April 30, 2009

Shashi Kiran Shetty

Chairman & Managing Director

Keki Elavia

Director

S. Suryanarayanan

Group Chief Financial Officer

Shailesh Dholakia

Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

Schedule	This Year	Previous Year
I SHARE CAPITAL		
Authorised		
30,000,000 Equity Shares of Rs. 10/- each	300,000	300,000
Issued, Subscribed and Paid up Capital		
22,363,611 Equity Shares of Rs. 10/- each fully paid	223,636	202,558
(Previous Year 20,255,845 Equity Shares of Rs. 10/- each)	-	21,031
Share Capital Suspense	-	-
	223,636	223,589
2 EMPLOYEES STOCK OPTION OUTSTANDING		
Employees Stock Option Outstanding	19,482	25,299
Less: Deferred Employee Compensation Expenses	3,295	10,298
	16,187	15,001
3 RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last balance sheet.	2,088,607	2,088,607
Received during the year	2,936	-
	2,091,543	2,088,607
Less: Capitalised during the year	7	-
Less: Share Issue Expenses	45,310	-
	2,046,226	2,088,607
General Reserve		
Balance as per last balance sheet.	585,481	383,286
Add: Transferred from Demerged Undertaking	-	127,195
Add: Transferred from profit and loss account	95,000	75,000
	680,481	585,481
Profit and Loss Account		
	1,708,620	942,366
	4,435,327	3,616,454
4 LOAN FUNDS		
Secured Loans		
From Banks:		
a) Working Capital Facilities	-	43,105
(Secured by hypothecation of stores, stock, book debts, certain vehicles, mortgage of assets / interest in assets situated at Mumbai and guaranteed by a director)	-	-
b) Term Loans		
(Secured by mortgage of assets of Container Freight Stations at Mumbai and Chennai and Inland Container Depots at Pithampur and Hyderabad and Hypothecation of Vehicles and Equipments. Secured Loan of Nil (P.Y. 9,579 thousand) is guaranteed by a director)	1,052,845	200,687
	1,052,845	243,792
Unsecured Loan		
6% (Net of Tax) Fully and Compulsorily Convertible Debentures	1,009,730	-
	2,062,575	243,792

Schedule - 5 FIXED ASSETS

(Rs. in 000's)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Opening	Additions	Transfer on Demerger	Deductions / Adjustments	Closing	Opening	Additions	Depreciation on Transfer on Demerger	Deductions / Adjustments	Closing	This Year	Previous Year
Freehold Land	260,927	-	-	-	260,927	-	-	-	-	-	260,927	260,927
Leasehold Land	205,348	4,821	-	886	209,283	8,662	6,836	-	-	15,498	193,785	196,686
Buildings	617,136	170,592	-	-	787,728	18,813	11,111	-	-	29,924	757,804	598,323
Plant and Machinery	244,608	123,107	-	428	367,287	24,394	18,325	-	137	42,582	324,705	220,214
Commercial Vehicles	979,864	1,011,741	-	36,712	1,954,893	273,588	198,474	-	12,475	459,587	1,495,306	706,276
Other Vehicles	20,572	5,654	-	4,718	21,508	6,746	2,293	-	2,353	6,686	14,822	13,826
Office Equipments	65,665	14,578	-	199	80,044	31,867	12,244	-	93	44,018	36,026	33,798
Furnitures and Fixtures	82,722	1,803	-	7	84,518	17,666	5,357	-	1	23,022	61,496	65,056
Software Packages	9,392	1,043	-	-	10,435	3,630	46	-	-	3,676	6,759	5,762
THIS YEAR	2,486,234	1,333,339	-	42,950	3,776,623	385,366	254,686	-	15,059	624,993	3,151,630	-
PREVIOUS YEAR	906,608	1,171,578	425,633	17,585	2,486,234	113,966	142,019	166,208	36,827	385,366	-	2,100,868
Capital Work-in-Progress											594,484	405,169
											3,746,114	2,506,037

(Rs. in 000's)

Schedule		This Year	Previous Year
6	INVESTMENTS		
	In Subsidiaries		
	10,000 Equity Shares of Contech Transport Services Pvt. Ltd. of Rs. 100/- each	2,168	2,168
	11,500 (P.Y. 10,000) Equity Shares of Allcargo Belgium N. V of Euro 1,000 each (1,500 Equity Shares purchased during the year)	684,793	581,668
	250,000 Equity Shares of Hindustan Cargo Ltd of Rs. 10/- each	89,058	89,058
	Nil (P.Y. 49,772) Class 'B' Ordinary Shares of Ecu Hold N. V. of Euro 19.55 each (49,772 Class 'B' Ordinary Shares sold during the year)	-	435,358
	Nil (P.Y. 50,000) Ordinary Shares of ACM Lines (Pty) Ltd. of SR 1 each (50,000 Ordinary Shares sold during the year)	-	263
	9,999 Equity Shares of ECU Line (India) Pvt. Ltd. of Rs. 10/- each	100	100
	9,999 (P.Y. Nil) Equity Shares of AGL Ports Pvt. Ltd. of Rs 10/- each (9,999 Equity Shares were subscribed for during the year)	100	-
	9,999 (P.Y. Nil) Equity Shares of AGL Projects Pvt. Ltd. of Rs 10/- each (9,999 Equity Shares were subscribed for during the year)	100	-
	9,999 (P.Y. Nil) Equity Shares of AGL Terminals Pvt. Ltd. of Rs 10/- each (9,999 Equity Shares were subscribed for during the year)	100	-
	9,999 (P.Y. Nil) Equity Shares of AGL Warehousing Pvt. Ltd. of Rs 10/- each (9,999 Equity Shares were subscribed for during the year)	100	-
	841,500 (P.Y. Nil) Equity Shares of Allcargo Logistics Park Pvt. Ltd. of Rs 10/- each (841,500 Equity Shares were subscribed for during the year)	8,415	-
	10,000 (P.Y. Nil) Ordinary Shares of Asia Lines Ltd of Euro 100 each (10,000 Ordinary Shares were subscribed for during the year)	63,400	-
	In Fully paid-up-Equity shares		
	1) Long Term Investments		
	Quoted		
	Nil (P.Y. 486) Equity Shares of Suzlon Energy Ltd. of Rs. 10/- each (486 Equity Shares sold during the year)	-	248
	Nil (P.Y. 283) Equity Shares of Centurion Bank of Punjab Ltd of Rs. 10/- each (283 Equity Shares sold during the year)	-	110
	Nil (P.Y. 6,703) Equity Shares of National Thermal Power Corporation Ltd of Rs. 10/- each (6,703 Equity Shares sold during the year)	-	416
	Nil (P.Y. 5,000) Equity Shares of Millenium Beer Ltd of Rs. 10/- each (5,000 Equity Shares sold during the year)	-	50
	Nil (P.Y. 1,399) Equity Shares of Reliance Petroleum Ltd of Rs. 10/- each (1,399 Equity Shares sold during the year)	-	84
	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

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008 (Rs. in 000's)

Schedule	This Year	Previous Year
Unquoted - Trade		
In Associate Companies		
10 Equity Shares of Alltrans Port Management Pvt. Ltd. of Rs. 100/- each	1	1
21,800 Equity Shares of Transnepal Freight Services Pvt. Ltd. of Rs. 100/- (Nepal Rupees) each	1,363	1,363
90 Ordinary Shares of Transworld Logistics & Shipping Services Inc. of USD 500 each	1,093	1,093
5,000 (P.Y. Nil) Equity Shares of Sealand Warehousing Pvt. Ltd. of Rs 10/- each (5,000 Equity Shares purchased during the year)	50	-
II) Current Investments - Non Trade (At cost or market value whichever is lower)		
A. Investments in Mutual Funds Units		
435,645.326 Units of Reliance Equity Opportunities Fund	4,500	4,500
549,211.796 (P.Y. Nil) Units of Birla Sunlife Income Plus (549,211.796 Units purchased during the year)	22,000	-
3,639,596.184 (P.Y. Nil) Units of Birla Sunlife Liquid Plus Retail Growth (3,639,596.184 Units purchased during the year)	59,226	-
8,718,992.631 (P.Y. Nil) Units of DWS Liquid Plus Fund - Ultra Short Term Fund (8,718,992.631 Units purchased during the year)	88,208	-
5,288,464.668 (P.Y. Nil) Units of Tata Floater Fund (5,288,464.668 Units purchased during the year)	67,856	-
3,451,129.771 (P.Y. Nil) Units of Templeton Floating Rate Income Fund Long Term IP Growth (3,451,129.771 Units purchased during the year)	44,360	-
1,104,232.154 (P.Y. Nil) Units of ICICI Prudential Floating Rate Fund Plan C (1,104,232.154 Units purchased during the year)	15,000	-
Nil (P.Y. 241,460.352) Units of DWS Insta Cash Plus Fund (241,460.352 Units sold during the year)	-	3,000
Nil (P.Y. 399,797.710) Units of ICICI Prud. Intit Plan (399,797.710 Units sold during the year)	-	7,720
Nil (P.Y. 850,081.876) Units of LIC Principal Cash Management Fund (850,081.876 Units sold during the year)	-	13,208
	1,152,174	1,140,591
Aggregate Amount of Quoted Investments	183	909
Aggregate Amount of Unquoted Investments	850,842	1,111,254
Aggregate Amount of Current Investments	301,149	28,428
	1,152,174	1,140,591
Aggregate Market Value of Quoted Investments	47	3,308
Aggregate Market Value of Current Investments	302,796	24,079

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008 (Rs. in 000's)

Schedule	This Year	Previous Year
CURRENT ASSETS, LOANS & ADVANCES		
7 SUNDRY DEBTORS (Unsecured)		
Debts outstanding over six months		
Considered Good	105,809	56,839
Considered Doubtful	38,211	1,955
	144,020	58,794
Other Debts		
Considered Good	607,532	399,418
Considered Doubtful	-	1,870
	607,532	401,288
	751,552	460,082
Less :Provision for Doubtful Debts	38,211	3,825
	713,341	456,257
Out of the above Sundry Debtors Rs. 186,485 thousand (P.Y Rs. 82,411 thousand) is outstanding from Subsidiary Companies		
8 CASH AND BANK BALANCES		
Cash on Hand	5,666	5,213
Balances with Scheduled Banks:		
In Current Accounts	286,788	86,767
In Fixed Deposit Accounts	33,546	54,961
	326,000	146,941
9 LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Due from Subsidiaries	562,305	38,973
Advances recoverable in cash or kind or for value to be received	1,135,335	292,278
Advance Tax net of provisions Rs. 371,742 thousand (P.Y. Rs. 252,575 thousand)	42,243	42,064
MAT credit entitlement	93,836	26,692
Balance with Customs and Ports	149,327	5,497
	1,983,046	405,504
10 CURRENT LIABILITIES		
Sundry Creditors		
Total Outstanding dues to:		
Micro, Small or Medium Enterprises	-	-
Others	199,408	137,886
Unpaid Dividend*	101	70
Other Liabilities	431,160	246,585
*There is no amount due to be credited to Investors Education & Protection Fund		
	630,669	384,541
11 PROVISION		
For Proposed Dividend	55,909	67,088
For Tax on Proposed Dividend	9,502	11,402
For Retirement Benefits	13,618	7,741
	79,029	86,231
12 MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	906	1,341
Less : Written off during the year	414	435
	492	906

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008 (Rs. in 000's)

Schedule	This Year	Previous Year
13 OPERATING INCOME		
Multimodal Transport Operations	3,327,838	2,424,742
Container Freight Stations	1,454,961	934,132
Equipment Hire	385,115	241,604
	5,167,914	3,600,478
14 OTHER INCOME		
Interest (Gross of tax deducted at source Rs. 2621 thousand (PY: Rs. 666 thousand))	18,602	3,545
Profit on Sale of Assets	13,899	160
Profit on Sale of Investments	30,642	18,007
Management Fees	14,967	9,325
Dividend	30	1,137
Rent	-	618
Exchange Gain/Loss	43,825	-
Business Support Charges	15,644	12,045
	137,609	44,837
15 MULTIMODAL TRANSPORT OPERATIONS		
Operating Expenses	1,664,707	1,529,017
Claims and Compensation	8,145	2,689
Documentation Charges	14,253	16,347
Break Bulk Expenses	644,976	147,154
Insurance	4,622	6,958
Import/Delivery Order Charges	50,598	46,597
Air Freight Expenses	43,088	48,695
Space Reservation Charges	11,360	9,436
Fuel Expenses	52,484	95,779
Vehicle Repairs	39,264	32,618
Spares Consumed	38,568	32,710
Other Expenses	67,413	75,213
	2,639,478	2,043,213
16 CONTAINER FREIGHT STATIONS		
Power & Fuel	89,061	30,762
Container Transportation Charges	18,266	10,707
Equipment Hire Charges	32,308	19,166
Repairs & Maintenance - Others	49,599	13,538
Other Expenses	176,633	114,382
	365,867	188,555
17 EQUIPMENT HIRE		
Spares Consumed	32,542	23,056
Fuel Expenses	14,423	16,613
Hiring Expenses	56,212	4,457
Insurance	814	281
Repairs & Maintenance - Others	32,967	17,047
Other Expenses	10,824	7,633
	147,782	69,087

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008 (Rs. in 000's)

Schedule	This Year	Previous Year
18 EMPLOYEE COST		
Salaries & Other Benefits	288,716	175,573
Contribution to Provident & Other Funds	11,726	10,194
Gratuity	4,444	1,853
Staff Welfare Expenses	36,908	40,870
	341,794	228,490
19 ADMINISTRATIVE AND SELLING		
Communication Charges	17,311	16,151
Rent, Rates & Taxes	59,663	48,102
Travelling	76,133	56,013
Electricity Charges	19,389	13,180
Repairs to :		
Building	6,424	12,900
Others	9,771	6,073
Directors' Fees & Commission	3,865	3,335
Professional and Legal Fees	44,094	43,218
Insurance	4,015	5,314
Donations	6,211	11,600
Business Promotion	26,291	16,702
Provision for Doubtful Debts	37,203	2,567
Payment to Auditors :		
For Audit	1,750	1,625
For Tax Audit	450	406
For Other services	415	336
Other Expenses	89,744	52,813
	402,729	290,335
20 INTEREST		
On Fixed Loans	63,946	15,298
On Bank Overdrafts	782	4,612
On Debentures	58,756	-
Other Interest	990	1,042
	124,474	20,952
21 EXCEPTIONAL ITEMS (NET OF TAX)		
Earlier Years Depreciation written back	-	33,366
Profit on sale of shares of subsidiary	67,741	7,457
Capital work in progress written off	4,540	-
Exceptional Income (Net)	63,201	40,823
Less: Provision for Tax		
Current Tax	7,161	4,625
Deferred Tax	-	(11,341)
MAT Credit	(6,646)	(4,625)
	62,686	52,164

Schedule 22**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 accumulated depreciation.
- 2.2 Cost includes purchase price and any attributable cost of bringing the asset to its applicable use.

3. Asset Impairment:

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. 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. 5,000/- or less are fully depreciated in the year of acquisition.

5. Investments:

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

6. Inventories:

Inventories of Spares and Consumables are valued at cost or net realisable value whichever is lower. Cost 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 construction.

8. Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition/ construction of the underlying fixed assets are capitalised as the 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 recognized on the basis of sailing of vessels and completion of transport as per contractual terms.
- 10.2 Income from Container Freight Station Operations relating to export containers is accounted on an accrual basis. Container Freight Station ground rent charge on Import Stuffed Containers is accounted to the extent of recover ability 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. Undaimed Auction Surplus outstanding for more than one year is written back as income in the subsequent financial year.
- 10.4 Income on equipment hire is recognized as per contractual terms.

11. Employee's Retirement Benefit:

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

12. Employees Stock Option Plan:

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

13. Taxes on Income:

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

Deferred Tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are 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 Alternate 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 Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the year end exchange rates. Exchange gains/losses are 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 the original transaction.

15. Leases:

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

16. Segment Reporting:

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

II. Notes Forming Part of Accounts:

- Figures in rupees have been rounded off to the nearest thousands.
- Previous period figures are regrouped wherever necessary to confirm to this year's classification.
- Issue of securities on preferential basis

Pursuant to an agreement dated February 20, 2008 entered into with Blackstone Group entities, the Company has issued and allotted following securities on preferential basis on March 27, 2008 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956 read with SEBI (Disclosure and Investor Protection) Guidelines, 2000, for Preferential Issues, during the year.

- 1,000 Equity Shares of Rs. 10 each at a premium of Rs. 924 per equity share aggregating Rs. 934 thousand,
 - 6% (Net of tax) 1,081,081 Fully and Compulsorily Convertible Debentures (FCCDs) of Rs. 934 each aggregating Rs. 1,009,730 thousand. These FCCDs shall be compulsorily converted 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 their allotment; and
 - 1,513,514 Warrants of Rs. 10 each convertible into equal number of equity shares at the option of the Warrant Holders at any time before completion of 18 months from the date of their allotment at a price ranging from Rs. 934 per Equity Share to Rs. 1,284 per Equity Share. The conversion price will be determined based on the consolidated recurring operational performance of the Company for the financial year ended December 31, 2008. The Company has received Rs. 293,622 thousand @ Rs. 194 per Warrant upfront from the Warrant Holders. In the event that the Warrant Holders do not exercise their option to convert, part or all of the Warrants into Equity Shares, the Warrants shall stand cancelled and the amount paid on the Warrants that have not been converted shall be forfeited.
4. Contingent Liabilities not provided for:
- Counter Guarantees to Banks against guarantees issued by them Rs. 349,275 thousand (Previous Year Rs. 157,799 thousand)
 - Continuity Bond executed in favour of The President of India through the Commissioner of Customs Rs. 3,245,000 thousand (Previous Year Rs. 1,145,000 thousand)
 - Guarantees issued to Bankers in respect of Nepal Intermodal Transport Development Board Rs. 6,998 thousand (Previous Year Rs. 6,696 thousand)
 - Custom Duty payable on Import of equipment under EPCG Scheme if the Company is not able to fulfill its Export Obligation, Rs. 52,957 thousand (Previous Year Rs. 41,497 thousand).
 - Suits filed against the Company towards operational claims Rs. 30,338 thousand (Previous Year Rs. 28,620 thousand).
 - Income tax demands against which the Company has preferred appeals/rectifications Rs. 4,932 thousand (Previous Year Rs. 4,932 thousand).

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

- 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.
 - 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.
- 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.
 - The Company has raised Rs. 1,403,325 thousand through an Initial Public Offer (IPO) and as on December 31, 2008, 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	760,360
Repayment of Term Loan	150,000	150,000
General Corporate Expenses including Acquisitions	435,900	435,900
Issue Expenses	105,200	105,200

8. Segment Reporting

- Information about Business Segments (Information provided in respect of revenue items for the year ended December 31, 2008 and in respect of assets /liabilities as at December 31, 2008.)

(Rs. in 000's)

Particulars	Multimodal Transport Operations		Container Freight Station		Equipment Division		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
Revenue								
External	3,327,838	2,424,742	1,454,961	934,132	385,115	241,604	5,167,914	3,600,478
Add : Inter Segment Revenue	45,349	166,157	27,047	13,411	109,797	20,000	182,193	199,568
Total Revenue	3,373,187	2,590,899	1,482,008	947,543	494,912	261,604	5,350,107	3,800,046
Result								
Segment Result Before Interest And Tax	347,093	228,585	831,230	444,190	184,369	105,216	1,362,692	777,991
Interest Expense							(124,474)	(20,952)
Unallocated Income net of Unallocated Expenses							(209,919)	(94,810)
Profit Before Tax and Exceptional Item							1,028,299	662,229
Taxes							164,249	116,557
Profit After Taxes And Before Exceptional Items							864,050	545,672

(Rs. in 000's)

Particulars	Multimodal Transport Operations		Container Freight Station		Equipment Division		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
Add: Exceptional Items (net of tax)							62,686	52,164
Profit After Tax							926,736	597,836
Segment Assets	1,195,987	749,617	1,815,611	1,320,441	1,417,787	611,802	4,429,385	2,681,860
Unallocated Assets							3,511,756	1,989,340
Total Assets							7,941,141	4,671,200
Segment Liabilities	350,169	302,903	72,027	156,888	54,556	39,530	476,752	499,321
Unallocated Liabilities							2,495,617	316,835
Total Liabilities							2,972,369	816,156
Total Costs incurred during the year to acquire								
Segment Assets	122,543	70,196	572,663	544,591	778,658	350,979	1,473,864	965,766
Segment Depreciation	38,877	38,746	56,161	34,006	149,316	67,009	244,354	139,761
Secondary Segment – Geographical								
The Company's operating facilities are located only in India								
Domestic Revenues							5,167,914	3,600,478

9. RELATED PARTY DISCLOSURES

List of Related Parties and Relationships

(A) Relationships :

1) Subsidiary Companies :

Contech Transport Services Pvt Ltd
 Allcargo Belgium N.V.
 Hindustan Cargo Ltd.
 ECU Line (India) Pvt Ltd
 AGL Ports Pvt Ltd
 AGL Projects Pvt Ltd
 AGL Terminals Pvt Ltd
 AGL Warehousing Pvt Ltd
 Allcargo Logistics Park Pvt Ltd
 Asia Lines Ltd.

2) Fellow Subsidiary Companies :

ECU International (Asia) Pvt. Ltd.
 ECU-Line Hong Kong Ltd.
 ECU Line Guangzhou Ltd
 ECU Line Philippines Inc.
 ECU Line Singapore Pte. Ltd.

ECU Line (Thailand) Co. Ltd.
 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 International Far East Ltd.
 ECU-Line Panama S.A.
 ECU-Line Paraguay 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 (Deolix SA)
 ECU Line Australia Pty. Ltd.
 ECU Line New Zealand Ltd.
 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 Mediterranean Ltd
 ECU Line Italia SRL
 ECU Line Jordan
 ECU Line Kenya Ltd
 ECU-Line Malta Ltd.
 ECU Line Maroc S.A.
 ECU Line Spain S.L. Barcelona
 ECU Line Tunisia sarl
 ECU Line Egypt Ltd
 ECU LINE SA (Pty.) Ltd.
 ELWA (GH) Ltd.
 ECU Line Algerie
 ECU Line Chile SA
 ECU Air Belgium
 ECU Logistics SA
 Flamingo Line do Brazil Ltda
 ECUHOLD N.V.
 ECU-TRANS N.V.
 RMK N.V.
 Conecli International S.A.
 Flamingo Line El Salvador SA de CV
 ECU Line Ivory Coast
 ECU-Line (Indian Ocean Islands) Ltd.
 Flamingo Line Peru S.A.
 Ecu Line China Ltd
 ECU-Line Vietnam

- 3) Joint Venture Company : Transworld Logistics & Shipping Services Inc.
Sealand Warehousing Pvt Ltd
- 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
4) Mr. Umesh Shetty
- 6) Enterprises owned or significantly influenced by its key management personnel or their relatives :
Allcargo Shipping Services (P) Ltd.
Avadh Marketing (P) Ltd.
N. R. Holdings (P) Ltd.
Transindia Freight (P) Ltd.
Allcargo Movers (Bombay) (P) Ltd.
Allnet Infotech (P) Ltd.
Prominent Estate Holdings (P) Ltd.
Transindia Freight Services (P) Ltd.
Jupiter Machines (P) Ltd.
Sealand Cranes (P) Ltd.
Contech Estate (P) Ltd.

(B) Transactions with Related Parties:

(Rs. in 000's)

Sr. No.	Transactions	Subsidiary Companies	Fellow Subsidiary Companies	Joint Venture Company	Associate Companies	Key Management Personnel	Enterprises owned or significantly influenced by its key Management Personnel or their relatives
1	Interest Received	14,752	-	-	-	-	-
2	MTO Income	92,558	481,264	24,066	-	-	-
3	Business Service Charges	-	-	-	-	-	900
4	Rent Paid	-	-	-	-	21,946	16,061
5	Remuneration to Directors / Commission paid	-	-	-	-	16,480	-
6	Car Hire charges	-	-	-	-	-	600
7	MTO Operation Expenses	88,900	532,445	29,551	-	-	-
8	Outstanding Payables	-	43,536	-	-	-	-

Sr. No.	Transactions	Subsidiary Companies	Fellow Subsidiary Companies	Joint Venture Company	Associate Companies	Key Management Personnel	Enterprises owned or significantly influenced by its key Management Personnel or their relatives
9	Loans Given	636,265	8,542	-	-	-	35,180
10	Refund of Loans Given	215,256	10,966	-	-	-	255
11	Outstanding Receivables	501,837	178,265	-	-	145,718	37,993
12	Management Fees Received	5,455	9,512	-	-	-	-
13	Rent Deposit Paid	-	-	-	-	60,000	-
14	Business Support Charges Received	-	15,644	-	-	-	-
15	Reimbursement of Expenses Received	657	-	-	246	-	-
16	Professional Fees Paid	-	-	-	-	-	1,080
17	Capital Expenditure	8,804	-	-	-	77,729	-
18	Share Application Money	68,688	-	385,000	-	-	-

10. Estimated amount of Contracts remaining to be executed on capital account and not provided is approximate Rs. 71,094 thousand (Previous Year Rs. 110,159 thousand)

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

(Rs. in 000's)

	This Year	Previous Year
Profit for the year before tax and exceptional items as per Profit & Loss Account	1,028,299	662,227
Add: Directors Remuneration	93,089	25,569
Directors Sitting Fees	865	735
Loss on Sale of Investments	-	-
Loss on Sale of Assets	1,527	-
Depreciation as per Accounts	254,686	142,019
Provision for Doubtful Debts	37,203	2,567
Profit on Sale of Assets as per Section 349 of the Companies Act 1956	13,899	160
	1,429,568	833,277
Less: Profit on Sale of Assets	13,899	160
Profit on Sale of Investments	30,642	25,464
Loss on Sale of Assets u/s 350 of the Companies Act, 1956	1,527	-
Depreciation u/s 350 of the Companies Act, 1956	254,686	142,019
	300,754	167,643
Net Profit for the purpose of Director's Remuneration	1,128,814	665,634
Maximum Managerial Remuneration to Managing and Executive Directors @ 10% of the Net Profits	112,881	66,563
Managerial Remuneration Paid/Payable	90,089	22,969
Maximum Commission to Non Executive Directors @ 1 % of the Net Profits	11,288	6,656
Commission to Non Executive Directors Paid/Payable	3,000	2,600

12. Managerial Remuneration

(Rs. in 000's)

	This Year	Previous Year
Remuneration paid to Managing Director/Whole-time Directors		
Salary	16,480	13,051
Contribution to Funds	1,265	918
Value of Perquisites	2,344	-
Commission	70,000	9,000
	90,089	22,969
Remuneration to Non Executive Directors		
Profit Commission	3,000	2,600
Sitting Fees	865	735
	93,954	26,304

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

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

14. Value of Imports calculated on CIF basis in respect of Capital Goods is Rs. 538,269 thousand (Previous Year Rs. 327,627 thousand)

15. Disclosure for lease

Company's lease agreements are mainly in respect of operating leases taken for offices, residential premises, warehouse, commercial vehicles and equipment. The lease agreements are for a period ranging from eleven months to nine years. The lease agreements are cancellable at the option of either party by giving one month to six month's notice. The Company has given refundable interest free security deposits for certain agreements. Certain agreements provide for increase in Lease rent. Some of the agreements provide for renewal of lease by mutual consent. Lease payments recognized in the Profit and Loss Account are Rs. 121,146 thousand (Previous Year Rs. 65,294 thousand) The Company has leased out commercial vehicles and office premises. The lease rental income recognized in the Profit and Loss Account is Rs. 382,573 thousand (Previous Year Rs. 242,222 thousand) The Gross value of the Leased Asset is Rs. 1,319,607 thousand (Previous Year Rs. 180,886 thousand). Accumulated depreciation of the Leased Asset is Rs. 253,842 thousand (Previous Year Rs. 101,578 thousand). The depreciation recognized in the statement of Profit and Loss account for the year is Rs. 127,399 thousand (Previous Year Rs. 19,656 thousand).

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

(Rs. in 000's)

Name of the Security	This Year Units	Previous Year Units
Birla Sun Life Cash Manager Institutional Premium Growth Plan	3,236	14,431
DWS Money Plus Regular Growth Plan	-	5,180
Kotak Bond Short Term Growth Plan	-	25,061
LIC MF Liquid Fund Growth Plan	-	29,988
Principal Cash Management Fund Liquid Option Institutional Premium Growth Plan	7,929	4,408
Prudential ICICI Institutional Short Term Plan Cumulative Option Plan	-	2,415
UTI Liquid Fund	-	27
DWS Credit Opportunities Cash Fund	9,329	5,256
Birla Cash Plus Liquid Plan	7,750	1,745
HDFC Cash Management	-	186
ICICI Prudential Liquid Fund	4,380	3,441
JM Money Manager Fund	4,622	828
Kotak Flexi Debt Scheme Growth Plan	-	7,743
Kotak Mahindra Mutual Fund	-	1,277
Lotus India Liquid Plus Fund	-	17,654

Name of the Security	This Year	Previous Year
	Units	Units
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
HDFC Mutual Fund	3,143	-
JM Financial Mutual Fund	3,598	-
Templeton India TMA Super IP Growth Plan	25	-
Tata Treasury Manager SHIP	94	-
LIC Mutual Fund Liquid Plus Fund	18,605	-
Principal Liquid Plus Fund	9,668	-
Mirae Asset Liquid Plus Fund	50	-
Templeton Floating Rate Income Fund Long Term Fund	9,258	-
Templeton India Ultra Short Bond Fund	9,708	-
LIC Mutual Fund Interval Fund-Series I	9,914	-
HDFC Liquid Fund-Premium Plan	6,100	-
JM High Liquidity Fund-Super IP	4,128	-
ICICI Prudential FMP Series 44	10,212	-
LIC MF Liquid Fund	5,797	-
Templeton India TMA	51	-
ICICI Prudential Flexible Income Plan	13,407	-
Tata Liquid Fund-Premium Plan	1,172	-
Tata Liquid Super High Investment Fund	85	-
DWS Insta Cash Plus Fund	16,536	-

17. Employees Stock Option Plan

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

The following table sets forth the particulars of stock options granted under Allcargo ESOP-2006 as on December 31, 2008:

	This Year			Previous Year		
	No. of Options		Wt. Average Exercise Price	No. of Options		Wt. Average Exercise Price
	Series I (Pre - Listing)	Series II (Post - Listing)		Series I (Pre - Listing)	Series II (Post - Listing)	
Options outstanding at the beginning of the year	22,600	13,000	10	38,300	13,000	10
Add : Options granted during the year	-	-	-	-	-	-
Less : Exercised	2,977	-	10	-	-	-
Less : Forfeited / expired	2,777	2,500	10	15,700	-	10
Options outstanding at the year end	16,846	10,500	10	22,600	13,000	10
Option exercisable at year end	4,744	3,675	-	-	-	-
Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earning Per share	40.16	40.16	-	26.69	26.69	-
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. 1,556 thousand being the fair value of options granted under ESOP 2006 (Series I) for the year ended Dec. 31, 2008.	The Company has charged a sum of Rs. 1,645 thousand being the fair value of options granted under ESOP 2006 (Series II) for the year ended Dec. 31, 2008.		The Company has charged a sum of Rs. 3,597 thousand being the fair value of options granted under ESOP 2006 (Series I) for the year ended Dec. 31, 2007.	The Company has charged a sum of Rs. 3,679 thousand being the fair value of options granted under ESOP 2006 (Series II) for the year ended Dec. 31, 2007.	
Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable	Not Applicable		Not Applicable	Not Applicable	

18. Retirement Benefits

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

Actuarial valuation of Gratuity (Funded) have been done with the following assumptions:

(Rs. in 000's)

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

II. Change in the Present Value Obligation :		
Liability at the beginning of the year	7,785	6,033
Interest Cost	810	588
Current Service Cost	2,638	2,087
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Liability Transfer in	-	-
Liability transfer out	-	-
Benefit Paid	(588)	(688)
Actuarial (gain)/loss on obligations	1,355	(235)
Liability at the end of the year	12,000	7,785

III. Change in the Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	6,330	5,013
Expected Return on Plan Assets	619	468
Contributions	1,702	1,416
Transfer from other company	-	-
Transfer to other company	-	-
Benefit Paid	(588)	(688)
Actuarial gain/(loss) on Plan Assets	(256)	121
Fair Value of Plan Assets at the end of the year	7,808	6,330
Total Actuarial Gain/(Loss) To Be Recognised	(1,611)	356

IV. Actual Return on Plan Assets :		
Expected Return on Plan Assets	619	468
Actuarial gain/(loss) on Plan Assets	(256)	121
Actual Return on Plan Assets	363	589

V. Amount Recognised in the Balance Sheet :		
Liability at the end of the year	12,000	7,785
Fair Value of Plan Assets at the end of the year	7,808	6,330
Difference	(4,193)	(1,455)
Unrecognised Past Service Cost	-	-
Un recognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	(4,193)	(1,455)

VI. Expenses Recognised in the Income Statement :	This Year	Previous Year
Current Service Cost	2,638	2,087
Interest Cost	810	588
Expected Return on Plan Assets	(619)	(468)
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Recognition of Transition Liability	-	-
Actuarial Gain or Loss	1,611	(356)
Expense Recognised in P&L	4,440	1,851

VII. Balance Sheet Reconciliation :		
Opening Net Liability	1,455	1,021
Expense as above	4,440	1,851
Transfer from other company	-	-
Transfer to other company	-	-
Employers Contribution	1,702	1,416
Amount Recognised in Balance Sheet	4,193	1,455

VIII. Category of Assets :		
Government of India Assets	-	-
Corporate Bonds	-	-
Special Deposits Scheme	-	-
State Govt	-	-
Property	-	-
Other	-	-
Insurer Managed Funds	7,808	6,330
Total	7,808	6,330

b) The Amounts recognized in respect of unfunded obligations:

Amount recognized in the balance sheet in respect of leave liability Rs. 9,417 thousand

Amount recognized in Salaries and Other Benefits in the Profit and Loss Account in respect of leave liability Rs. 3,131 thousand

19. MAT Entitlement

During the year, the Company has made provision for Minimum Alternate Tax (MAT) of Rs. 123,916 thousand (P.Y. Rs. 81,154 thousand). Considering the future expected benefits, the Company has recognized Rs. 67,143 thousand (P.Y. Rs. 26,692 thousand) as MAT entitlement credit representing excess of MAT provision over current tax.

20. Earnings in Foreign Exchange

	This Year	Previous Year
Dividend	-	1,090
Multimodal Transport Operations	249,078	217,523
Equipment hire	5,773	855
Profit on sale of shares	67,741	7,457
Business Support Services	15,644	12,045
Management Fees	9,512	9,325

21. Expenditure in Foreign Currency

(Rs. in 000's)

	This Year	Previous Year
Professional Fees	20,586	1,331
Other Expenditures	484,958	224,341

22. Dividend Remitted in Foreign Currency

	This Year	Previous Year
No. of Non Resident Shareholders	74	66
No. of Shares held	2,876,964	1,662,168

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

23. Computation of Deferred Tax is as follows:

(Rs. in 000's)

	This Year	Previous Year
Deferred Tax Liability:		
Difference in Block of Assets	204,714	104,816
Deferred Tax Assets:		
Fiscal and other disallowances	4,618	3,224
Deferred Tax Liability (Net)	200,096	101,592

24. Earnings Per Share:

	This Year	Previous Year
a) Net Profit Available for Equity Shareholders Before Exceptional Items	863,979	556,989
b) Net Profit Available for Equity Shareholders After Exceptional Items	926,665	597,812
c) Potential Increase in Earning upon Dilution	52,250	Nil
d) Weighted Average No. of Equity Shares		
Basic	22,362,178	22,358,925
Potential equity shares due to conversion of debentures	827,056	Nil
Potential equity shares due to issue of share warrants	1,157,880	Nil
Potential equity shares under ESOP	31,221	40,856
Diluted	24,378,335	22,399,781
e) Paid up Value Per Share (Rs.)	10/-	10/-
f) Earnings Per Share Before Exceptional Items (Rs.)		
Basic	38.65	24.91
Diluted	37.59	24.87
g) Earnings Per Share After Exceptional Items (Rs.)		
Basic	41.45	26.74
Diluted	40.16	26.69

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

I REGISTRATION DETAILS

Registration No State Code

Balance Sheet Date

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)

Public Issue Rights Issue

Bonus Issue Private Placement

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

Total Liabilities Total Assets

Source of Funds

Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loan

Application of Funds

Net Fixed Assets Investments

Net Current Assets Miscellaneous Expenditure

Accumulated Profit

IV PERFORMANCE OF THE COMPANY

Turnover Total Expenditure

Profit Before Tax Profit After Tax

Earning Per Share (Rs.) Dividend Rate %

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

Item Code No. (ITC Code)

Product Description

Auditors' Report

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

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

1. We have audited the attached Consolidated Balance Sheet of **Allcargo Global Logistics Limited** ("the Company") and its subsidiaries (together referred to as "The Group", as described in Schedule 22, Note 6) as at December 31, 2008, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluation of the overall financial statement presentation. We believe that our audit and the reports of other auditors provides a reasonable basis for our opinion.
3. We did not audit the financial statements of some subsidiaries whose financial statements reflect the Group's share of total assets of Rs. 5,701,235 thousand as at December 31, 2008 and the Group's share of total revenues of Rs. 19,212,983 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 the subsidiary Allcargo Logistics Park Private Limited and the joint venture Sealand Warehousing Private Limited whose unaudited financial statements reflect the Group's share of total assets of Rs. 524,412 thousand as at December 31, 2008 and Group's share of total revenues of Rs. Nil for the year ended on that date. This subsidiary and the joint venture have been consolidated on the basis of such unaudited financial statements certified by the management.
5. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Venture issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Allcargo Global Logistics Limited and its subsidiaries included in the Consolidated Financial Statements, other than the subsidiary and the joint venture referred to in paragraph 4 which have been consolidated on the basis of unaudited financial statements.
6. On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries other than the subsidiary and joint venture 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, 2008;
 - 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: April 30, 2009

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2008

(Rs. in 000's)

	Schedule	This Year	Previous Year
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	223,936	223,889
Share Warrants (Refer Note 4 of Schedule 22)		293,622	-
Employees Stock Options Outstanding	2	16,187	15,001
Reserves and Surplus	3	5,579,686	4,482,764
		6,113,431	4,721,654
LOAN FUNDS			
Secured Loans	4	2,404,892	1,250,431
Unsecured Loans		1,034,753	12,088
		3,439,645	1,262,519
DEFERRED TAX LIABILITY (NET)		127,158	44,424
MINORITY INTEREST		114,859	85,717
		9,795,093	6,114,314
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	7,084,425	5,580,633
Less : Depreciation		1,460,344	1,143,785
Net Block		5,624,081	4,436,848
Capital Work In Progress		741,080	405,169
		6,365,161	4,842,017
INVESTMENTS	6	828,052	64,655
CURRENT ASSETS, LOANS AND ADVANCES			
A. Current Assets			
Interest Accrued on Investment		402	312
Spares and Consumables		19,572	14,652
Sundry Debtors	7	2,974,864	2,271,338
Cash and Bank Balances	8	1,011,975	631,315
B. Loans and Advances			
	9	1,666,505	719,278
		5,673,318	3,636,895
CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities			
	10	2,937,056	2,290,108
B. Provisions			
	11	137,559	144,849
		3,074,615	2,434,957
NET CURRENT ASSETS		2,598,703	1,201,938
MISCELLANEOUS EXPENDITURE	12	3,177	5,704
(to the extent not written off or adjusted)			
		9,795,093	6,114,314
Significant Accounting Policies and Notes on Accounts	22		

As per our report of even date

For Appan & Lokhandwala Associates

Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place : Mumbai

Dated : April 30, 2009

For and on behalf of the Board

Shashi Kiran Shetty

Chairman & Managing Director

S. Suryanarayanan

Group Chief Financial Officer

Keki Elavia

Director

Shailesh Dholakia

Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

	Schedule	This Year	Previous Year
INCOME			
Operating Income	13	23,140,819	16,134,631
Other Income	14	106,366	51,486
		23,247,185	16,186,117
EXPENDITURE			
Multimodal Transport Operations	15	15,380,320	10,139,177
Container Freight Station	16	365,866	188,555
Equipment Hire	17	147,783	69,087
Employee Cost	18	3,155,179	2,692,243
Administrative and Selling	19	1,890,527	1,621,937
Interest	20	248,537	123,467
Depreciation	5	447,218	252,282
Preliminary Expenses Written Off		3,083	2,114
		21,638,513	15,088,862
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM		1,608,672	1,097,255
Provision For Taxation			
Current Tax		305,544	219,747
Deferred Tax		93,896	44,769
MAT Credit		(53,099)	(22,067)
Wealth Tax		116	106
Fringe Benefit Tax		10,866	7,446
		357,323	250,001
PROFIT AFTER TAX AND BEFORE EXCEPTIONAL ITEMS		1,251,349	847,254
Exceptional Items (Net of tax)	21	(31,403)	16,680
PROFIT AFTER TAX AND AFTER EXCEPTIONAL ITEMS		1,219,946	863,934
Tax Adjustment for Earlier Years		(4,199)	76
PROFIT BEFORE MINORITY INTEREST		1,215,747	864,010
Profit Attributable to Minority Interest		138,725	98,419
PROFIT AFTER MINORITY INTEREST		1,077,022	765,591
Balance Brought Forward From Previous Year		1,283,416	719,212
PROFIT AVAILABLE FOR APPROPRIATIONS		2,360,438	1,484,803
APPROPRIATIONS :			
Interim Dividend Paid		-	40,512
Tax on Interim Dividend		-	6,885
Proposed Dividend		55,909	67,088
Tax on Proposed Dividend		9,502	11,402
General Reserve		95,000	75,500
Surplus Carried to Balance Sheet		2,200,027	1,283,416
		2,360,438	1,484,803
EARNING PER SHARE (Rs.)			
Earning Per Share - Basic			
Before Exceptional Items		49.38	34.47
After Exceptional Items		47.38	34.23
Earning Per Share - Diluted			
Before Exceptional Items		47.43	34.41
After Exceptional Items		46.14	34.17
Significant Accounting Policies and Notes on Accounts	22		

As per our report of even date

For Appan & Lokhandwala Associates

Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place : Mumbai

Dated : April 30, 2009

For and on behalf of the Board

Shashi Kiran Shetty

Chairman & Managing Director

S. Suryanarayanan

Group Chief Financial Officer

Keki Elavia

Director

Shailesh Dholakia

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

Particulars	This Year	Previous Year
A. Cash Flow From Operating Activities		
Net Profit Before Tax and Exceptional Items	1,608,672	1,097,255
Depreciation	447,218	252,282
Loss on Sale of Fixed Assets	1,527	3,359
Preliminary Expenses Written Off	3,083	2,114
Interest Payments	248,537	123,467
Employees Compensation Expenses (Stock Option)	3,201	7,276
Exceptional Item	(26,349)	(28,027)
Foreign Exchange Loss/(Gain)	(28,478)	(64,606)
Interest Received	(29,541)	(31,343)
Provision for Doubtful Debts	47,156	-
Profit on Sale of Assets	(13,967)	(332)
Profit on Sale of Shares	(30,642)	(18,007)
Bad Debts Written Off	35,551	-
Provisions For Liabilities	6,198	5,932
Dividend	(30)	(1,149)
Operating Profit Before Working Capital Changes	2,272,136	1,348,221
Adjustment for:		
Increase/Decrease in Trade and Other Receivables/Stock	(1,709,990)	(91,863)
Increase/Decrease in Trade Payables and Other Liabilities	640,752	178,159
Direct Taxes Paid	(312,223)	(188,059)
Net Cash From Operating Activities	890,675	1,246,458
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets (Including Capital Advances)	(1,841,228)	(1,632,788)
Acquisition of Subsidiaries - Net	-	(309,029)
Purchase of Investments	(1,098,106)	(38,441)
Sale of Investments	352,793	571,029
Sale of Fixed Assets	99,175	217,870
Interest Received	29,541	31,343
Dividend	30	1,149
Exchange Fluctuation Reserve	(167,402)	(24,148)
Net Cash From Investing Activities	(2,625,197)	(1,183,015)
C. Cash Flow From Financing Activities		
Receipt / Payment of Loans	2,177,127	331,803
Preliminary Expenses Incurred	(556)	(1,824)
Share Issue Expenses Incurred	(45,309)	-
Proposed Dividend	(67,088)	-
Tax on Proposed Dividend	(11,402)	-
Interim Dividend/Minority Interest	29,140	(81,024)
Tax on Interim Dividend	-	(12,567)
Issue of Share Warrants	293,622	-
Issue of Share Capital including Premium	2,976	-
Interest Paid on Loans	(248,537)	(123,467)
Net Cash From Financing Activities	2,129,973	112,921
Net Increase in Cash and Cash Equivalent (A+B+C)	395,451	176,364
Cash and Cash Equivalent at the beginning of year	631,315	450,303
Less: Upon Desubsidiarisation	14,789	-
Cash and Cash Equivalent of Merged Undertaking at the beginning of year	-	4,648
Cash and Cash Equivalent at the end of the year	1,011,975	631,315

As per our report of even date

For Appan & Lokhandwala Associates

For and on behalf of the Board

Chartered Accountants

SP. Palaniappan

Partner

Membership No. 38378

Place : Mumbai

Dated : April 30, 2009

Shashi Kiran Shetty

Chairman & Managing Director

Keki Elavia

Director

S. Suryanarayanan

Group Chief Financial Officer

Shailesh Dholakia

Company Secretary

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

Schedule	This Year	Previous Year
I SHARE CAPITAL		
Authorised		
30,000,000 Equity Shares of Rs. 10/- each	300,000	300,000
3,000 13% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	300	300
	300,300	300,300
Issued, Subscribed and Paid up Capital		
22,363,611 Equity Shares of Rs. 10/- each fully paid (Previous year 20,255,845 Equity Shares of Rs. 10/- each)	223,636	202,558
3,000 13% Non Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid	300	300
Share Capital Suspense	-	21,031
	223,936	223,889
2 EMPLOYEES STOCK OPTIONS OUTSTANDING		
Employees Stock Options Outstanding	19,482	25,299
Less : Deferred Employee Compensation Expenses	3,295	10,298
	16,187	15,001
3 RESERVES AND SURPLUS		
Securities Premium Account	2,046,226	2,088,607
General Reserve	890,015	585,982
Revaluation Reserve	3,452	2,578
Exchange Translation Reserve	(302,282)	(53,735)
Capital Redemption Reserve	300	300
Capital Reserve	741,948	575,616
Profit and Loss Account	2,200,027	1,283,416
	5,579,686	4,482,764
4 LOAN FUNDS		
Secured Loans		
From Banks:		
a) Working Capital Facilities	637,187	43,105
(Secured by hypothecation of stores, stock, book debts, certain vehicles mortgage of assets / interest in assets situated at Mumbai and guaranteed by a director)		
B) Term Loan	1,767,705	1,206,131
(Secured by mortgage of assets of Container Freight Stations at Mumbai and Chennai and Inland Container Depots at Pithampur and Hyderabad and Hypothecation of Vehicles and Equipments. Secured Loan of Nil (P.Y. 9,579 thousand) is guaranteed by a director)		
From Others:	-	1,195
	2,404,892	1,250,431
Unsecured Loans		
6% (Net of Tax) Fully and Compulsorily Convertible Debentures	1,009,730	-
From Others	25,023	12,088
	1,034,753	12,088
	3,439,645	1,262,519

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule - 5 FIXED ASSETS

Description	GROSS BLOCK						DEPRECIATION / AMORTISATION			NET BLOCK	
	Opening	Additions	Transfer on Demerger	Deduction / Adjustments	Closing		For the year	Depreciation on Transfer on Demerger	Closing	This Year	Previous Year
Intangible Assets											
Goodwill on Consolidation	1,782,925	218,434	-	-	2,001,359		53,537	-	53,537	1,947,822	1,782,925
Goodwill	67,367	-	-	56,258	11,109		1,854	-	865	10,244	3,148
Research and Developments	2,550	83,461	-	-	86,011		25,991	-	53,276	32,735	326
Patents & Licences	153,469	-	-	67,376	86,093		7,380	-	51,322	34,771	94,377
Software Packages	12,015	1,386	-	-	13,401		743	-	5,583	7,818	7,175
Leasing & Similar Rights	43,567	-	-	4,963	38,604		3,479	-	22,090	16,514	23,216
Tangible Assets											
Freehold Land	260,928	-	-	-	260,928		-	-	-	260,928	260,928
Leasehold Land	205,348	4,821	-	886	209,283		6,836	-	15,498	193,785	196,686
Building	1,024,827	196,686	-	-	1,221,513		39,209	-	240,298	981,215	836,162
Leasehold improvements	4,618	783	-	-	5,401		1,885	-	3,232	2,169	3,271
Plant and Machinery	406,700	155,335	-	7,404	554,631		37,227	-	161,848	392,783	266,334
Commercial Vehicles	979,864	1,011,741	-	36,711	1,954,894		198,475	-	459,588	1,495,306	706,279
Other Vehicles	24,335	5,654	-	4,994	24,995		2,734	-	8,663	16,332	15,779
Office Equipments - computers	74,617	18,193	-	1,078	91,732		14,487	-	49,963	41,769	38,173
Furniture and Fixtures	509,273	24,690	-	33,176	500,787		49,111	-	320,388	180,399	187,514
Other Tangible Assets	28,230	-	-	4,546	23,684		4,270	-	14,193	9,491	14,555
This Year	5,580,633	1,721,184	-	217,392	7,084,425		447,218	-	1,460,344	5,624,081	-
Previous Year	3,407,675	1,879,567	425,633	132,242	5,580,633		252,282	166,208	1,143,785	-	4,436,848
Capital Work-In-Progress										741,080	405,169
Total										6,365,161	4,842,017

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

Schedule	This Year	Previous Year
6 INVESTMENTS		
I) Long Term Investments		
At Cost, fully paid up		
a) Quoted	183	909
b) Unquoted	525,217	23,805
II) Current Investments - Quoted	302,652	39,941
	828,052	64,655
Aggregate Amount of Quoted Investments	183	909
Aggregate Amount of Unquoted Investments	525,217	23,805
Aggregate Amount of Current Investments	302,652	39,941
	828,052	64,655
Aggregate Market Value of Quoted Investments	47	3,308
Aggregate Market Value of Current Investments	302,796	42,403
7 SUNDRY DEBTORS (Unsecured)		
Sundry Debtors	3,030,292	2,280,427
Less : Provision For Doubtful Debts	55,428	9,089
	2,974,864	2,271,338
8 CASH AND BANK BALANCES		
Cash on Hand	18,063	14,148
Balances with Scheduled Banks:		
In Current Accounts	960,221	487,769
In Fixed Deposit Accounts	33,691	129,398
	1,011,975	631,315
9 LOANS AND ADVANCES		
Advances Recoverable in cash or kind or for value to be received	1,419,873	686,461
MAT credit entitlement	93,836	26,692
Balance with Customs and Ports	152,796	6,125
	1,666,505	719,278
10 CURRENT LIABILITIES		
Sundry Creditors	1,763,503	1,482,468
Unpaid Dividend	101	70
Other Liabilities	1,173,452	807,570
	2,937,056	2,290,108
11 PROVISIONS		
For Taxation Net of Advance Tax	57,744	58,153
For Proposed Dividend	55,909	67,088
For Tax on Proposed Dividend	9,502	11,402
For Retirement Benefits	14,404	8,206
	137,559	144,849
12 MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	3,177	5,704
	3,177	5,704

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

Schedule	This Year	Previous Year
13 OPERATING INCOME		
Multimodal Transport Operations	21,300,743	14,958,895
Container Freight Stations	1,454,960	934,132
Equipment Hire	385,116	241,604
	23,140,819	16,134,631
14 OTHER INCOME		
Interest	29,541	31,343
Profit on Sale of Assets	13,967	332
Profit on Sale of Investments	30,642	18,007
Dividend	30	1,149
Exchange Gain/Loss	28,478	618
Other Income	3,708	37
	106,366	51,486
15 MULTIMODAL TRANSPORT OPERATIONS		
Operating Expenses	14,183,424	9,436,434
Claims and Compensation	8,145	13,024
Documentation Charges	14,253	16,347
Break Bulk Expenses	644,976	147,154
Insurance	50,570	6,958
Import Delivery Order Charges	50,598	46,597
Air Freight Expenses	43,088	226,907
Space Reservation Charges	11,360	9,436
Fuel Expenses	52,484	95,779
Vehicle Repairs	39,264	32,618
Spares Consumed	38,568	32,710
Other Expenses	243,590	75,213
	15,380,320	10,139,177
16 CONTAINER FREIGHT STATIONS		
Power & Fuel	89,061	30,762
Container Transportation Charges	18,266	28,707
Equipment Hire Charges	32,308	1,166
Repairs & Maintenance - Others	49,599	13,538
Other Expenses	176,632	114,382
	365,866	188,555
17 EQUIPMENT HIRE		
Spares Consumed	32,542	23,056
Fuel Expenses	14,423	16,613
Hiring Expenses	56,212	4,457
Insurance	814	281
Repairs & Maintenance - Others	32,967	17,047
Other Expenses	10,825	7,633
	147,783	69,087

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008

(Rs. in 000's)

Schedule	This Year	Previous Year
18 EMPLOYEE COST		
Salaries & Other Benefits	2,473,535	2,608,157
Contribution to Provident & Other Funds	310,686	12,605
Gratuity	4,444	2,437
Staff Welfare Expenses	366,514	69,044
	3,155,179	2,692,243
19 ADMINISTRATIVE AND SELLING		
Other Expenses	1,864,562	1,592,876
Payment to Auditors	25,965	29,061
	1,890,527	1,621,937
20 INTEREST		
On Fixed Loans	63,946	74,346
On Bank Overdrafts	782	47,099
On Inter Corporate Deposits	437	2,022
Other Interest	183,372	-
	248,537	123,467
21 EXCEPTIONAL ITEMS (NET OF TAX)		
Capital Work in Progress Written Off	(4,540)	-
Others	(26,349)	5,339
Exceptional Income (Net)	(30,889)	5,339
Less: Provision For Tax		
Current Tax	(515)	4,625
Deferred Tax	-	(11,341)
MAT Credit	1,029	(4,625)
	(31,403)	16,680

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2008

Schedule 22

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

I. Statement of Significant Accounting Policies

1. Accounting Conventions:

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

2. Fixed Assets:

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

3. Asset Impairment:

The carrying value of tangible and intangible assets are reviewed for any possible impairment at each Balance sheet date. An impairment loss is recognized 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.

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 diminution, if any, in the value of each long term investment is made to recognize a decline other than of a temporary nature. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment.

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

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

6. Inventories:

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

7. Expenditure During Construction Period:

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

8. Borrowing Cost:

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

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

11. Employees' Retirement Benefit:

A. Foreign Subsidiaries

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 actuarial valuation and such liability is provided in the accounts.

12. Employees Stock Option Plan:

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

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 recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognized only when there is virtual certainty of their realisation and on other items when there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing differences at the year end based on the tax rate and laws enacted or substantially enacted on the balance sheet date. Provision for Fringe Benefit Tax for the year has been determined in accordance with the provisions of section 115WC of the Income Tax Act, 1961. Minimum Alternate 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 recognized in the profit and loss account. In the case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rates prevailing at the end of the year.

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 are debited to Profit and Loss Account.

16. Segment Reporting:

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

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

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

- 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. The Company's interest in jointly controlled entity is reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entities are reported as separate line items.
- 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 recognized in the exchange fluctuation reserve.
- 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 recognized in the financial statements as Goodwill or Capital Reserves as the case may be.

- Minority interest's of net profit of consolidated subsidiaries for the period is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholder of the Company. Investments in Joint Venture are dealt with in accordance with Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures'. The Company's interest in jointly controlled entity is reported using proportionate consolidation, whereby the Company's share of jointly controlled assets and liabilities and the share of income and expenses of the jointly controlled entity is reported as separate line items.
- As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except in the case of foreign subsidiary companies where the accounting policy regarding the rate of depreciation is not in consonance with the group accounting policy. No effect has been given in the consolidated financial statements on account of such differing accounting policy where the impact is not expected to be material.
- Goodwill on consolidation is not amortized in Consolidated Financial Statements. Goodwill amortized by the Foreign Subsidiary is restated in the Consolidated Financial Statements in accordance with Group practice.

4. Issue of Securities on Preferential Basis

Pursuant to an agreement dated February 20, 2008 entered into with Blackstone Group entities, the Company has issued and allotted following securities on preferential basis on March 27, 2008 in accordance with the provisions of Section 81(IA) of the Companies Act, 1956 read with SEBI (DIP) Guidelines for Preferential Issues, during the year.

- 1,000 Equity Shares of Rs. 10 each at a premium of Rs. 924 per equity share aggregating Rs. 934 thousand.
- 6% (Net of tax) 1,081,081 Fully and Compulsorily Convertible Debentures (FCCDs) of Rs. 934 each aggregating Rs. 1,009,730 thousand. These FCCDs shall be compulsorily converted 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 their allotment; and
- 1,513,514 Warrants of Rs. 10 each convertible into equal number of equity shares at the option of the Warrant Holders at any time before completion of 18 months from the date of their allotment at a price ranging from Rs. 934 per Equity Share to Rs. 1,284 per Equity Share. The conversion price will be determined based on the consolidated recurring operational performance of the Company for the financial year ended December 31, 2008. The Company has received Rs. 293,622 thousand @ Rs. 194 per Warrant upfront from the Warrant Holders. In the event that the Warrant Holders do not exercise their option to convert, part or all of the Warrants into Equity Shares, the Warrants shall stand cancelled and the amount paid on the Warrants that have not been converted shall be forfeited.

- The financial statements of the subsidiaries and the joint venture, used in the consolidation are drawn upto the same date as of the Company i.e. year ended December 31, 2008.
- We have consolidated the financial statements of Indian Companies, Contech Transport Services Pvt. Ltd., Hindustan Cargo Ltd., ECU Line (India) Pvt Ltd, AGL Ports Pvt Ltd, AGL Projects Pvt Ltd, AGL Warehousing Pvt Ltd, AGL Terminals Pvt Ltd, Allcargo Logistics Park Pvt Ltd and foreign subsidiaries, Allcargo Belgium N.V and Asia Line Ltd Dubai. In turn Asia Lines Ltd has consolidated its financials with its subsidiary ECU Heavy Lift LLC and Allcargo Belgium N.V has consolidated its financials with its subsidiary RMK N.V of Belgium and fellow subsidiaries of ECU Hold N.V of Belgium. 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 Ltd	China	60
4	ECU Line Philippines Inc.	Philippines	100
5	ECU Line Singapore Pte. Ltd.	Singapore	100
6	ECU Line (Thailand) Co.	Thailand	57
7	ECU Line Middle East LLC	United Arab Emirates	86
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

Sr. No.	Name of the Company	Country of Incorporation	% of Holding
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	66.7
21	Conedi International S.A	Costa Rica	100
22	ECU Line Del Ecuador S.A.	Ecuador	100
23	Flamingo Line El Salvador SA de CV	El Salvador	67
24	ECU Line Guatemala	Guatemala	67
25	CELM Logistics S.A. De C.V.	Mexico	100
26	ELV Multimodal C.A.	Venezuela	100
27	Flamingo Line Do Brazil Ltda	Brazil	100
28	ECU Line Australia Pty. Ltd.	Australia	60
29	ECU Line New Zealand Ltd.	New Zealand	60
30	ECU-Line (Germany) GmbH	Germany	100
31	ECU-Line UK Ltd.	United Kingdom	100
32	ECU-Line Polska Sp. Z.o.o. UL	Polska	100
33	ECU-Line Romania SRL	Romania	100
34	ECU-BRO N.V.	Belgium	100
35	ECU International N.V.	Belgium	100
36	ECU-TECH BVBA	Belgium	100
37	ECU-LINE N.V.	Belgium	100
38	ECU-LOGISTICS N.V.	Belgium	100
39	ECU-Trans N.V.	Belgium	100
40	ECU LINE Rotterdam	Netherlands	100
41	D & E Transport NV	Belgium	100
42	ECU Line Turkey	Turkey	100
43	ECU Line Mediterranean Ltd	Cyprus	55
44	ECU Line Italia SRL	Italy	100
45	ECU Line Jordan	Jordan	100

Sr. No.	Name of the Company	Country of Incorporation	% of Holding
46	ECU Line Kenya	Kenya	82
47	ECU Line (IOI) LTD.	Mauritius	90
48	ECU-Line Malta Ltd.	Malta	100
49	ECU Line Maroc S.A.	Morocco	100
50	ECU Line Spain S.L.	Spain	100
51	ECU Line Tunisia	Mergrine Riadh	100
52	ECU Line Egypt Ltd	Egypt	55
53	ECU LINE SA (Pty.) Ltd.	South Africa	90
54	ELWA (GH) Ltd.	Ghana	100
55	ECU Line Cote d'Ivoire Sarl	Ivory Coast	100
56	ECU Line Algeria sarl	Algeria	100
57	ECU Line Italy TRC srl	Italy	100
58	Conedi International SA	Costa Rica	100
59	Mediterranean Cargo Centre	Spain	80
60	Administradora House Line C.A.	Venezuela	100
61	Flamingo Line Chile SA	Chile	100
62	Flamingo Line del Peru SA	Peru	70
63	ECU Logistics S.A (Argentinie)	Argentina	51
64	AMI Ventures	Mauritius	100
65	DLC	Uruguay	100
66	ECU International Far East Ltd.	Hong Kong	100
67	IPTS	Belgium	100
68	ECU-Air N.V.	Belgium	100
69	ECU Shipping Logistics (K) Ltd.	Kenya	99
70	Container Freight Station S.A.	Chile	50
71	Flamingo Line Ecuador	Ecuador	100
72	ECU Logistics de Mexico SA de CV	Mexico	100
73	Rotterdam Freight Station BV	Rotterdam	100
74	Consolidadora Ecu Line C.A.	Venezuela	100

7. Interests in Joint Ventures

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

Name of the Company	Country of Incorporation	% of Ownership Interest	
		As at 31st December, 2008	As at 31st December, 2007
Sealand Warehousing Pvt Ltd	India	50%	-

8. As the operation of Ecu Line Bulgaria EOOD, ECU Line China Ltd, Ecu Line Zimbabwe (Pty.) Ltd. and Ecu Line Uruguay (Deolix SA) 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

9. The financial statements of some Joint Ventures and Associates are not considered in the consolidated financial statements as their state of affairs as at the year end and results of operation for the period are not material in relation to the consolidated financial statements.

10. The accounting policies of certain subsidiaries especially regarding the rate of depreciation, amortisation of intangible assets and accounting for retirement benefits are not in consonance with the group accounting policies. No effect has been given in the consolidated financial statements on account of such differing accounting policies, where the impact is not expected to be material.

11. One of the foreign subsidiaries has restated Goodwill of Rs. 234,857 thousand and Capital Reserve of Rs. 80,506 thousand from General/Accumulated Reserves. The subsidiary has also written off the Goodwill relating to the year 2008 Rs. 87,043 thousand to the Profit and Loss Account and written off Goodwill pertaining to the years 2005, 2006 and 2007 Rs. 253,416 to General Reserves. In the Group Consolidated Statement, Goodwill written off of Rs. 340,459 thousand is reversed according to the Group practice. Goodwill of Rs.3,650 thousand has arisen on increase of holding in ECU Line Thailand and in ECU Line South Africa by the fellow subsidiary ECU Hold N.V.

12. Contingent Liabilities not provided for :

A. Foreign Subsidiaries

Bank guarantees issued to Customs, Ministry of transport and other parties Rs. 194,013 thousand (Previous Year – 139,488 thousand)

B. Indian subsidiaries

- i) Counter Guarantees to Banks for guarantees issued by them Rs. 349,275 thousand (Previous Year - Rs 157,799 thousand)
- ii) Continuity Bond executed in favour of The President of India through the Commissioner of Customs – Rs. 3,245,000 thousand (Previous Year - Rs. 1,145,000 thousand)
- iii) Guarantees issued to Bankers in respect of others Rs. 6,998 thousand. (Previous Year - Rs.6,696 thousand)
- iv) Custom Duty payable on import of equipment under EPCG Scheme if the Company is not able to fulfill its export obligation, Rs. 52,957 thousand (Previous Year - Rs. 41,497 thousand).
- v) Suits filed against the Company towards operational claims Rs. 30,338 thousand (Previous Year - 28,620 thousand)
- vi) Income tax demands against which the company has preferred appeals / rectifications Rs. 4,932 thousand (Previous Year - Rs. 4,932 thousand)

13. 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.

14. Segment Reporting

(a) Information about Business Segments (Information provided in respect of revenue items for the year ended December 31, 2008 and in respect of assets / liabilities as at December 31, 2008.

(Rs. in 000's)

Particulars	Multimodal Transport Operations		Container Freight Station		Equipment Division		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
Revenue								
External	21,300,743	14,958,895	1,454,960	934,132	385,116	241,604	23,140,817	16,134,631
Add : Inter Segment Revenue	45,349	166,157	27,047	13,411	109,797	20,000	182,193	199,568
Total Revenue	21,346,092	15,125,052	1,482,008	947,543	494,913	261,604	23,323,012	16,334,199
Result								
Segment Result Before Interest and Tax	1,082,773	738,109	831,230	444,190	184,369	105,216	2,098,372	1,287,515
Interest Expense							(248,537)	(123,467)
Unallocated Income net of Unallocated Expenses							(241,163)	(66,793)
Profit Before Tax and Exceptional Item							1,608,672	1,097,255
Taxes							357,323	250,001
Profit After Tax And Before Exceptional Item							1,251,349	847,254
Add: Exceptional Items (net of tax)							(31,403)	16,680
Profit After Tax							1,219,946	863,934
Segment Assets	7,281,167	4,022,726	1,815,611	1,320,441	1,417,787	611,802	10,514,565	5,954,969
Unallocated Assets							2,355,143	2,594,302
Total Assets							12,869,708	8,549,271
Segment Liabilities	4,061,463	3,357,258	72,027	156,888	54,556	39,530	4,188,046	3,553,676
Unallocated Liabilities							2,453,372	188,224
Total Liabilities							6,641,418	3,741,900

Secondary Segment Geographical

Country/Region	This Year		Previous Year	
	Segment Revenue	Segment Assets	Segment Revenue	Segment Assets
India	6,406,940	4,880,569	3,203,396	2,720,876
Africa	352,301	33,808	284,015	49,241
America	3,731,211	6,32,478	2,419,659	497,274
Far East	3,731,139	762,398	2,536,785	572,528
Australia & New Zealand	547,137	59,683	425,338	54,289
Europe	6,960,970	3,553,969	5,864,259	1,606,971
Mediterranean	1,411,121	591,660	1,401,179	453,790
Total	23,140,819	10,514,565	16,134,631	5,954,969

15. RELATED PARTY DISCLOSURES

List of Related Parties and Relationships

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

(B) Transactions with Related Parties:

(Rs. in 000's)

Sr. No	Transactions	Joint Venture Company	Associate Companies	Key Management Personnel	Enterprises Owned or Significantly Influenced by its key Management Personnel or their relatives
1	Interest Received	-	-	-	-
2	MTO Income	24,066	-	-	-
3	Business Service Charges	-	-	-	900
4	Rent Paid	-	-	21,946	16,061
5	Remuneration to Directors / Commission paid	-	-	16,480	-
6	Car Hire charges	-	-	-	600
7	MTO Operation Expenses	29,551	-	-	-
9	Outstanding payables	-	-	-	-
10	Loan given	-	-	-	35,180
11	Refund of Loans given	-	-	-	255
12	Outstanding receivables	-	-	145,718	37,993
13	Management Fees received	-	-	-	-
14	Rent Deposit paid	-	-	60,000	-
15	Business support charges	-	-	-	-
16	Reimbursement of expenses received	-	246	-	-
17	Professional fees paid	-	-	-	1,080
18	Capital Expenditure	-	-	77,729	-
19	Share Application Money	-	-	-	-

16. Estimated amount of Contract remaining to be executed on capital account and not provided for Rs. 71,094 thousand (Previous Year - Rs. 110,159 thousand).

17. Disclosure For Lease

A. Foreign Subsidiaries

Company's lease agreements are mainly in respect of operating leases taken for office premises, warehouses, office equipment and vehicles. Lease payments recognized in the Profit and Loss Accounts are Rs. 113,349 thousand.

B. Indian companies

Company's lease agreements are mainly in respect of operating leases taken for offices, residential premises and warehouses. The lease agreements are for a period ranging from eleven months to nine years. The lease agreements are cancellable at the option of either party by giving one month to six month's notice. The Company has given refundable interest free security deposits for certain agreements. Certain agreements provide for increase in lease rent. Some of the agreements provide for renewal of lease by mutual consent. Lease payments recognized in the Profit and Loss Account are Rs. 129,486 thousand (Previous Year Rs. 27,794 thousand)

18. Employees Stock Option Plan

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

The following table sets forth the particulars of stock options granted under Allcargo ESOP-2006 as on December 31, 2008:

	This Year			Previous Year		
	No. of Options		Wt. Average Exercise Price	No. of Options		Wt. Average Exercise Price
	Series I (Pre - Listing)	Series II (Post - Listing)		Series I (Pre - Listing)	Series II (Post - Listing)	
Options outstanding at the beginning of the year	22,600	13,000	10	38,300	13,000	10
Add : Options granted during the year	-	-	-	-	-	-
Less : Exercised	2,977	-	10	-	-	-
Less : Forfeited / Expired	2,777	2,500	10	15,700	-	10
Options outstanding at the year end	16,846	10,500	10	22,600	13,000	10
Option exercisable at year end	4,744	3,675	-	-	-	-
Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earning Per Share	40.16	40.16	-	26.69	26.69	-
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. 1,556 thousand being the fair value of options granted under ESOP 2006 (Series I) for the year ended Dec. 31, 2008.	The Company has charged a sum of Rs. 1,645 thousand being the fair value of options granted under ESOP 2006 (Series II) for the year ended Dec. 31, 2008.		The Company has charged a sum of Rs. 3,597 thousand being the fair value of options granted under ESOP 2006 (Series I) for the year ended Dec. 31, 2007.	The Company has charged a sum of Rs. 3,679 thousand being the fair value of options granted under ESOP 2006 (Series II) for the year ended Dec. 31, 2007.	
Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable	Not Applicable		Not Applicable	Not Applicable	

19. Computation of Deferred Tax is as follows:

(Rs. in 000's)

	This Year	Previous Year
Deferred Tax Liability:		
Difference in Block of Assets	205,214	105,575
Deferred Tax Assets:		
Fiscal and other disallowance	78,056	61,151
Deferred Tax Liability / (Asset) - Net	127,158	44,424

20. Earnings Per Share:

	This Year	Previous Year
a) Net Profit Available for Equity Shareholders Before Exceptional Items	1,104,228	748,987
b) Net Profit Available for Equity Shareholders after Exceptional Items	1,072,824	765,667
c) Potential Increase in Earning upon Dilution	52,250	Nil
d) Weighted Average no. of Equity Shares		
Basic	22,362,178	22,358,925
Potential equity shares due to conversion of debentures	827,056	Nil
Potential equity shares due to issue of share warrants	1,157,880	Nil
Potential equity shares under ESOP	31,221	40,856
Diluted	24,378,335	22,399,781
e) Paid up Value Per Share	10/-	10/-
f) Earnings Per Share Before Exceptional Items (Rs.)		
Basic	49.38	34.47
Diluted	47.43	34.41
g) Earnings Per Share After Exceptional Items (Rs.)		
Basic	47.38	34.23
Diluted	46.14	34.17

FINANCIAL HIGHLIGHTS OF SUBSIDIARIES

(Rs.in'000)

No.	Name of the Company	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Tax	Proposed Dividend
1	Hindustan Cargo Ltd	2,500.00	57,921.19	286,766.04	286,766.04	-	1,420,483.92	39,305.03	19,606.77	19,698.26	-
2	Contech Transport Services Pvt. Ltd.	1,300.00	11,450.50	121,962.34	121,962.34	1,500.30	181.75	(31.97)	(51.22)	19.25	-
3	Ecu Line (India) Private Limited	100.00	(36.66)	100.00	100.00	-	-	(36.66)	-	(36.66)	-
4	AGL Ports Pvt. Ltd.	100.00	(45.59)	193.00	193.00	-	-	(45.59)	-	(45.59)	-
5	AGL Projects Pvt. Ltd.	100.00	(47.24)	6,322.24	6,322.24	-	-	(47.24)	-	(47.24)	-
6	AGL Terminals Pvt. Ltd.	100.00	(318.73)	404.42	404.42	-	-	(315.97)	-	(315.97)	-
7	AGL Warehousing Pvt. Ltd.	100.00	(45.59)	193.00	193.00	-	-	(45.59)	-	(45.59)	-
8	Ecu International (Asia) Pvt. Ltd.	513.95	1,763.22	2,301.69	2,301.69	2,160.26	18.79	(10.79)	-	(10.79)	-
9	Ecu Line Abu Dhabi LLC	1,973.39	6,612.29	12,987.23	12,987.23	-	24,638.93	5,398.31	-	5,398.31	-
10	Ecu Line Algeria	712.27	11,671.77	30,701.46	30,701.46	-	69,642.21	15,092.69	3,802.55	11,290.14	-
11	Ecu Logistics SA	224.33	6,531.47	19,172.13	19,172.13	-	95,201.28	7,836.85	2,598.33	5,238.52	-
12	Ecu Australia Pty. Ltd.	3,336.66	(1,188.37)	59,645.88	59,645.88	-	540,932.76	9,253.38	2,706.79	6,546.58	7,865.40
13	Ecu Hold NV	213,769.00	112,152.16	1,308,034.89	1,308,034.89	16,560.23	67,185.64	(22,731.69)	476.53	(23,208.21)	-
14	Allcargo Belgium N.V.	783,092.50	(27,441.42)	1,597,179.38	1,597,179.38	-	9,589.52	(16,041.25)	20.94	(16,062.18)	-
15	Ecubro N.V.	5,318.22	(12,568.61)	49,977.32	49,977.32	-	8,396.33	(1,898.06)	(73.95)	(1,824.11)	-
16	Ecu International N.V.	4,221.89	(55,456.18)	1,160,421.42	1,160,421.42	-	519,208.33	11,717.25	2,514.03	9,203.22	-
17	Ecu-Tech BVBA	1,266.02	(1,156.39)	34,820.18	34,820.18	-	79,816.51	(1,619.17)	1,688.13	(3,307.30)	-
18	Ecu-Line N.V.	84,437.80	110,301.30	1,045,367.02	1,045,367.02	1,055.00	4,809,161.40	33,629.44	13,585.29	20,044.15	-
19	Ecu-Logistics N.V.	46,849.36	(10,069.65)	317,838.92	317,838.92	49.30	610,110.58	732.26	(95.34)	827.61	-
20	Ecu-Trans N.V.	8,443.78	(8,782.79)	392.09	392.09	-	17.52	1,317.18	138.18	1,178.99	-
21	D & E Transport NV	4,221.89	(1,930.70)	2,425.06	2,425.06	-	(61.93)	(560.33)	-	(560.33)	-
22	RMK NV	1,121,333.98	(46,430.06)	1,300,949.81	1,300,949.81	-	-	(10,135.04)	3.45	(10,138.49)	-
23	Ecu Air Nv.	27,238.00	(8,994.02)	80,064.83	80,064.83	-	504,919.46	(14,148.60)	(8.52)	(14,140.07)	-
24	IPTS	42,272.49	(163,574.72)	2,429.94	2,429.94	-	-	(1,423.52)	-	(1,423.52)	-
25	Ecu Logistics do Brasil Ltda	1,124.49	(79,842.38)	9,956.88	9,956.88	-	105,258.48	(64,647.53)	390.00	(65,037.53)	-
26	Flamingo Line do Brazil Ltda	1,031.64	(19,365.79)	1,054.37	1,054.37	-	5,933.71	(6,835.72)	-	(6,835.72)	-
27	Ecu Line Bulgaria EOOD	-	-	-	-	-	-	-	-	-	-
28	Ecu-Line Canada Inc.	3.95	15,692.43	99,149.23	99,149.23	-	624,859.82	17,035.42	3,639.22	13,396.20	-
29	Ecu Line Chile S.A.	2,306.38	8,192.99	81,703.79	81,703.79	-	476,136.25	2,268.72	803.81	1,464.91	-
30	Container Freight Station SA	2,369.39	(165.09)	26,806.43	26,806.43	-	86,046.10	1,704.34	388.07	1,316.27	-
31	Flamingo Line Chile	768.79	736.57	6,239.68	6,239.68	-	26,822.10	66.89	47.60	19.29	-
32	Ecu Line Guangzhou Ltd.	42,807.22	2,874.90	64,229.88	64,229.88	-	127,949.84	1,266.56	272.11	994.45	-
33	Ecu Line De Columbia S.A.	15,334.31	6,360.81	21,998.06	21,998.06	-	82,612.55	5,404.13	1,913.42	3,490.71	-
34	Conecli International S.A.	1.80	(4,746.93)	13,329.05	13,329.05	-	39,081.16	(2,911.28)	-	(2,911.28)	-
35	Ecu Line Middleeast LLC	3,946.79	139,960.16	243,307.04	243,307.04	-	755,574.21	125,191.18	-	125,191.18	-
36	Euro Centre - Dubai	17,102.74	38,242.24	55,451.46	55,451.46	-	21,484.79	7,312.98	-	7,312.98	-
37	Asia Lines Ltd.	4,776.84	(1,039.48)	26,987.79	26,987.79	88.65	433.09	(907.12)	-	(907.12)	-
38	Ecu Heavy Lift, W.L.L	186.12	(652.21)	12,671.29	12,671.29	-	63.02	(579.47)	-	(579.47)	-
39	Ecu Line Del Ecuador S.A.	483.13	(10.52)	15,983.07	15,983.07	-	118,869.80	2,489.33	958.35	1,530.98	-
40	Flamingo Line Ecuador	193.25	(310.61)	110.40	110.40	-	-	(281.75)	0.00	(281.75)	-
41	Ecu Line Egypt Ltd	885.24	4,370.30	20,264.84	20,264.84	-	97,970.60	19,732.92	3,946.58	15,786.34	14,154.07
42	Flamingo Line El Salvador SA de CV	662.58	18.95	1,431.94	1,431.94	-	5,442.95	38.30	-	38.30	-
43	Ecu-Line (Germany) GmbH	63,716.49	11,126.86	182,578.07	182,578.07	-	869,335.23	(3,762.95)	-	(3,762.95)	-
44	ELWA (GH) Ltd.	104.43	1,110.61	5,334.41	5,334.41	-	32,909.53	607.80	256.68	351.13	-
45	Ecu Line Guatemala	31.71	(50.25)	6,035.92	6,035.92	-	66,590.87	388.66	-	388.66	-

FINANCIAL HIGHLIGHTS OF SUBSIDIARIES

(Rs.in'000)

No.	Name of the Company	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Tax	Proposed Dividend
46	Ecu-Line Hong Kong Ltd.	9,335.82	3,021.26	156,295.50	156,295.50	-	634,340.64	2,663.81	298.51	2,365.30	3,075.23
47	Ecu International Far East Ltd	62.24	8,059.09	90,166.59	90,166.59	-	91,879.94	4,766.67	841.86	3,924.81	-
48	Ecu Line Italia SRL	4,085.70	4,350.21	245,687.20	245,687.20	-	809,648.82	10,509.75	8,796.97	1,712.78	-
49	Ecu Line Italy TRC SRL	3,745.23	(11,306.84)	5,091.88	5,091.88	-	128.98	(3,579.73)	-	(3,579.73)	-
50	Ecu Line Cote d'Ivoire Sarl	5,188.84	(8,121.06)	14,169.16	14,169.16	-	54,517.72	1,312.05	194.95	1,117.11	-
51	Ecu Line Japan Ltd.	16,040.46	(75,616.41)	78,492.63	78,492.63	-	799,100.91	2,395.44	-	2,395.44	-
52	Ecu Line Jordan	2,066.96	3,497.23	31,395.55	31,395.55	-	127,712.56	1,012.56	452.74	559.82	-
53	Ecu Line Kenya Ltd	2,694.11	11,665.42	34,006.79	34,006.79	-	114,586.05	2,818.55	920.42	1,898.12	-
54	Ecu Shipping Logistics (K) Ltd	673.53	(31.94)	790.70	790.70	-	452.57	16.63	47.77	(31.14)	-
55	Ecu Line Malaysia ECU-Line (JB) SDN BHD	2,779.64	16,076.30	41,528.72	41,528.72	-	225,167.98	6,743.35	1,452.20	5,291.15	6,333.75
56	Ecu-Line Malta Ltd.	793.09	304.41	1,034.44	1,034.44	-	3,585.65	-	-	-	-
57	aEcu-Line (Indian Ocean Islands) Ltd.	1,093.03	2,811.17	7,009.94	7,009.94	-	26,927.09	3,226.72	487.66	2,739.06	-
58	AMI Ventures	48.31	123,556.99	149,937.04	149,937.04	-	27,850.34	11,223.66	-	11,223.66	-
59	Ecu Line Mediterranean Ltd.	581.74	47.88	8,404.73	8,404.73	-	66,882.98	53.35	28.08	25.27	-
60	CELM Logistics S.A. De C.V.	177.05	(4,621.37)	43,244.68	43,244.68	-	190,626.21	(9,492.28)	659.67	(10,151.95)	-
61	Ecu Logistics de Mexico SA de CV	177.05	3,914.05	21,770.26	21,770.26	-	18,311.07	6,004.63	1,638.16	4,366.47	-
62	Ecu Line Maroc SA	2,125.69	14,103.88	91,611.73	91,611.73	-	280,390.43	18,419.90	5,502.42	12,917.49	8,264.88
63	Ecu Line Rotterdam	58,153.13	(21,456.16)	71,897.45	71,897.45	-	465,597.94	20,639.65	-	20,639.65	-
64	Ecu Line New Zealand Ltd.	2.80	2,018.26	19,065.34	19,065.34	-	121,175.28	1,832.10	788.36	1,043.74	-
65	Ecu-Line Panama S.A.	1,207.84	(1,917.96)	28,744.66	28,744.66	-	136,830.21	1,965.41	339.78	1,625.63	-
66	Ecu-Line Paraguay S.A.	495.05	298.39	2,204.36	2,204.36	-	9,885.70	1,369.76	163.27	1,206.48	-
67	Ecu-Line Peru S.A.	786.48	7,570.08	68,898.14	68,898.14	-	317,849.21	10,465.63	3,136.95	7,328.69	-
68	Flamingo Line Peru S.A.	534.79	1,195.51	3,369.84	3,369.84	-	14,607.37	1,638.20	575.64	1,062.57	-
69	Ecu Line Philippines Inc.	10,227.87	1,156.38	26,119.06	26,119.06	-	134,652.44	1,534.92	531.78	1,003.14	-
70	Ecu-Line Polska Sp. z o.o. UL	823.95	970.22	24,533.02	24,533.02	-	158,362.23	1,798.56	383.70	1,414.86	-
71	Ecu Line Doha W.L.L.	2,655.71	10,130.06	19,054.58	19,054.58	-	50,450.58	7,464.85	625.85	6,839.00	-
72	Ecu-Line Romania SRL	90.48	2,580.94	19,799.10	19,799.10	-	87,852.40	451.88	86.93	364.95	-
73	Rotterdam Freight Station BV	1,225.71	(1,643.21)	17,127.01	17,127.01	-	104,249.45	(581.74)	-	(581.74)	-
74	Ecu Line Singapore Pte. Ltd.	8,375.69	37,276.21	153,276.41	153,276.41	-	743,789.25	30,051.52	5,094.85	24,956.67	18,561.36
75	Ecu Line SA (Pty.) Ltd.	0.51	13,147.74	47,974.92	47,974.92	-	426,330.40	8,895.16	2,654.76	6,240.40	-
76	Ecu Line Spain S.L. Barcelona	8,307.59	11,823.06	77,807.89	77,807.89	-	466,656.70	5,960.02	32.72	5,927.30	-
77	Mediterranean Cargo Centers S.L.	8,171.40	(28,188.33)	13,604.03	13,604.03	-	59,623.68	(9,033.57)	-	(9,033.57)	-
78	Ecu Line (Thailand) Co.Ltd	7,041.02	26,697.58	91,678.05	91,678.05	-	653,675.77	11,696.92	2,957.97	8,738.94	-
79	Ecu Line Tunesia sarl	378.81	(8,404.09)	58,877.01	58,877.01	-	93,234.54	198.83	338.57	(139.74)	-
80	Ecu Line Turkey	7,130.44	(2,559.66)	39,467.56	39,467.56	-	244,324.16	1,783.69	457.85	1,325.84	-
81	Ecu-Line UK Ltd.	48,970.02	3,497.97	125,846.12	125,846.12	-	512,421.69	(1,892.67)	(493.40)	(1,399.27)	-
82	Ecu-Line Uruguay (Deolix SA)	2,011.53	1,511.78	7,478.05	7,478.05	-	33,010.74	2,045.54	508.80	1,536.74	-
83	DLC	111,840.86	(1,887.64)	113,871.72	113,871.72	-	-	4,736.19	-	4,736.19	86,511.31
84	ELV Multimodal C.A.	541.60	33,669.40	48,854.96	48,854.96	-	72,239.93	15,546.62	5,563.84	9,982.78	-
85	Venezuela - AHL	22.57	4,052.38	9,727.06	9,727.06	-	3,007.31	2,770.26	721.14	2,049.12	-
86	Consolidadora Ecu-Line CA	9.03	-	9.03	9.03	-	-	-	-	-	-
87	Ecu-Line Vietnam	4,515.88	3,318.37	20,597.67	20,597.67	-	133,543.89	8,516.24	802.75	7,713.49	13,467.58
88	Ecu Line Zimbabwe (Pty.) Ltd.	-	-	-	-	-	-	-	-	-	-
89	Ecu Line China Ltd.	-	-	-	-	-	-	-	-	-	-
TOTAL		2,846,552.05	289,388.30	10,465,794.45	10,465,794.45	21,413.73	20,818,297.90	346,721.39	106,121.32	240,600.06	158,233.57