

**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):

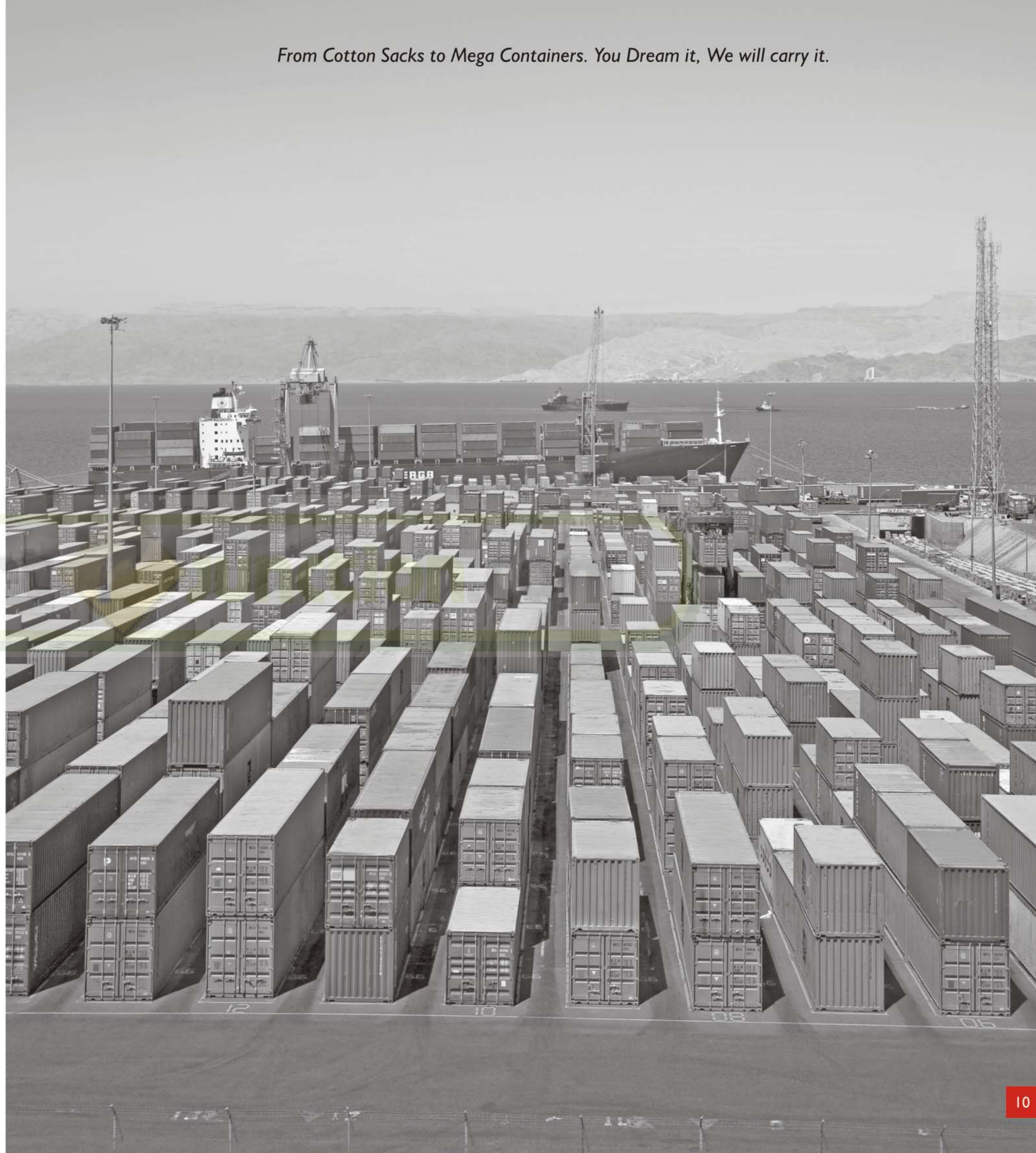
Warehousing

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.

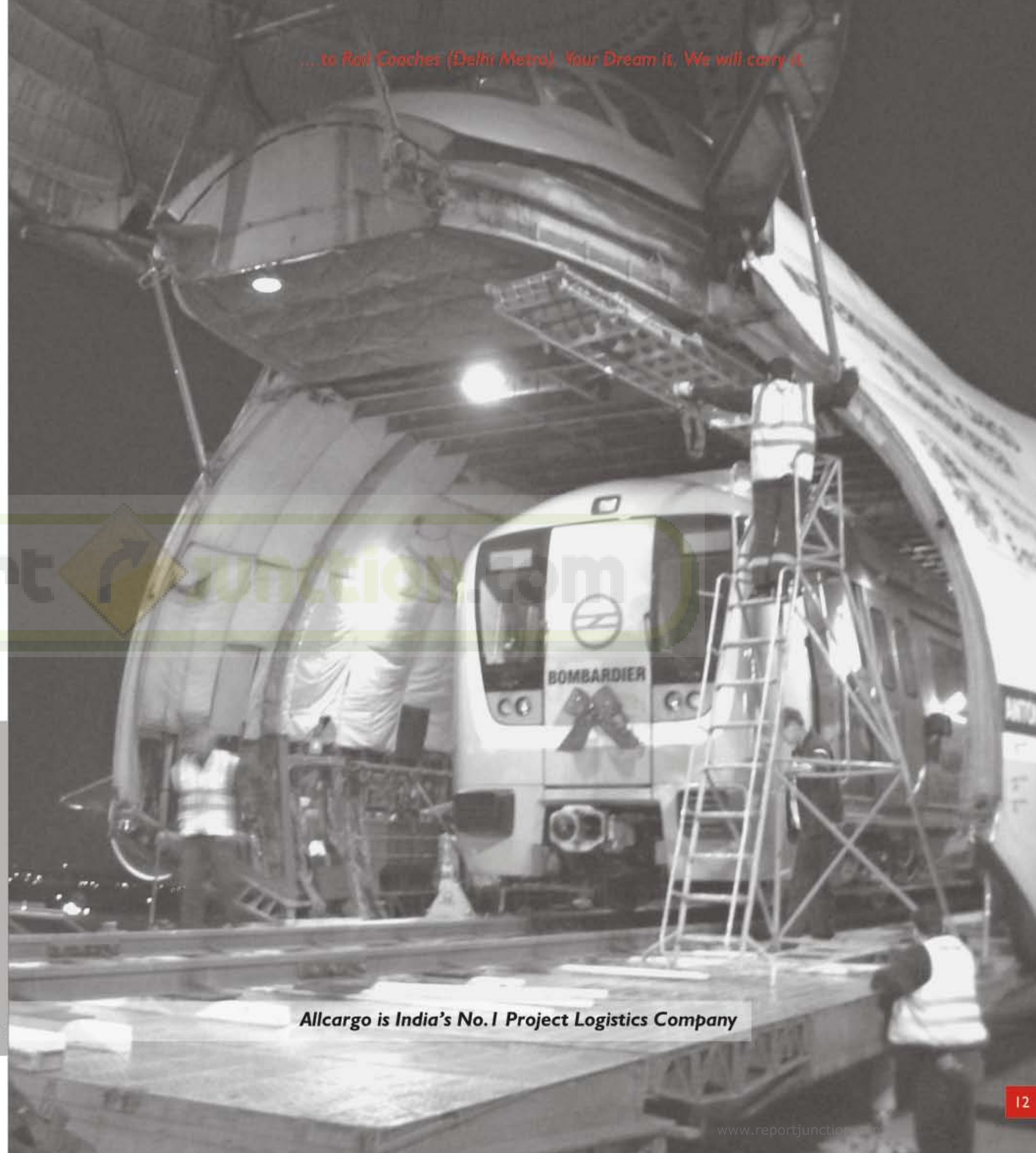
Out-of-the-box' thinking. We ensure cost-effective and safe solutions



From Matchboxes ...

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



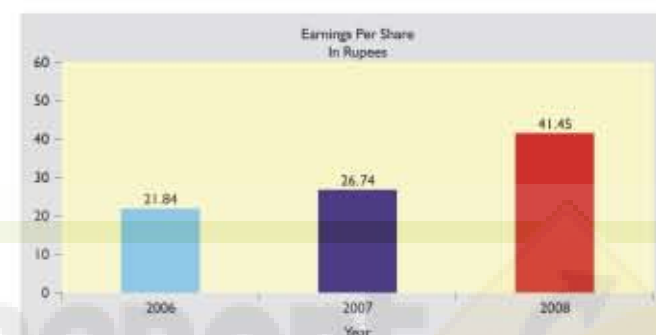
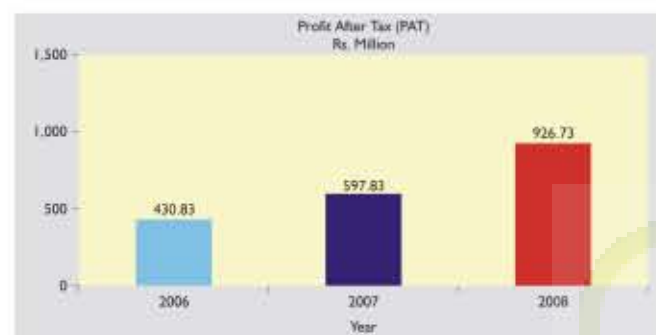
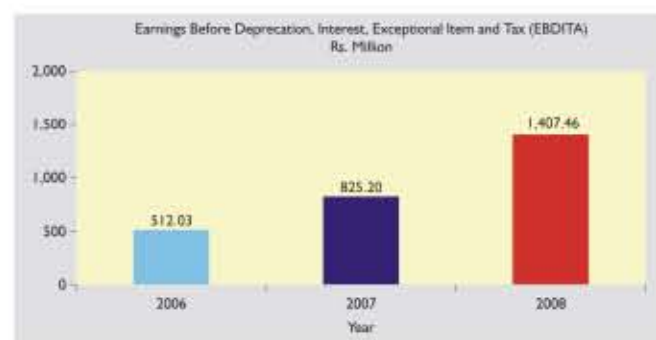
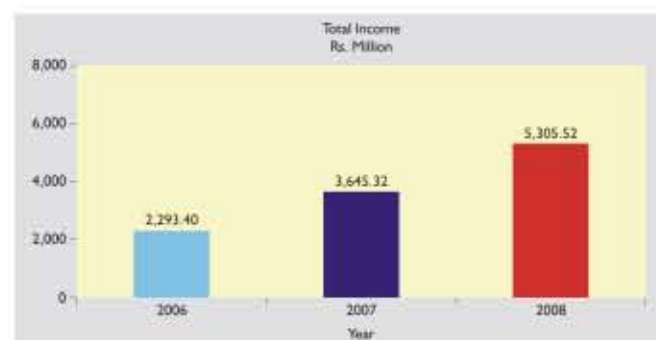
MR. AKHILESH GUPTA
Non-Executive Director
Appointed w.e.f. March 27, 2008

**Our Senior
Management Team**

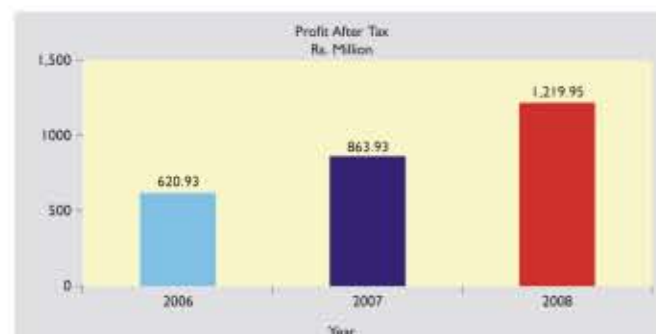
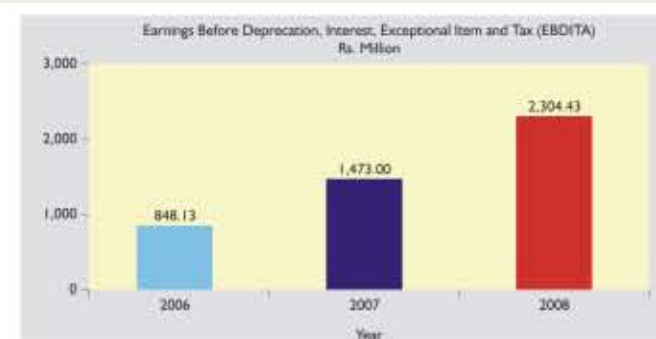
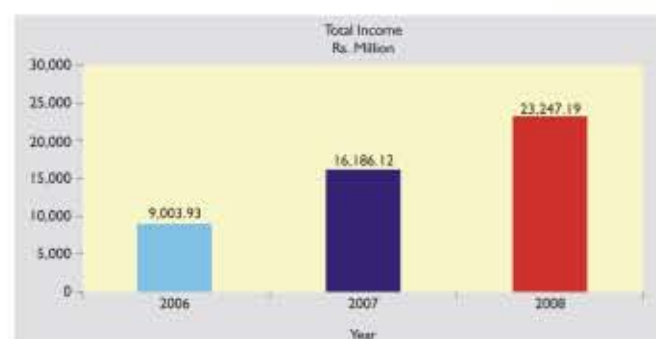


Our Performance

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:

Particulars	(Rs. in Million)	
	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

