DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Third Report together with the audited accounts of the Company for the year ended 31st March, 2010.

Financial Results

(Rs. in lacs)

Particulars	2010	2009
Gross Income	90,333.50	62,068.16
Expenses:		
Operating Expenses	85,505.90	57,496.59
Personnel	2,705.37	2,278.36
Others	1,733.13	1,047.26
Interest	335.70	138.11
Depreciation and Amortisation	498.60	417.88
Total Expenses	90,778.70	61,378.20
Profit / (Loss) before Tax	(445.20)	689.96
Provision for Taxation		
— Current tax	—	313.71
— Fringe Benefit tax	—	30.79
— Deferred tax Income	(161.60)	(100.80)
Profit / (Loss) After Tax	(283.60)	446.26
Balance brought forward from last year	289.12	(0.51)
Amount available for appropriation	5.52	445.75
Appropriations:		
Proposed Dividend	—	133.88
Tax on proposed Dividend	—	22.75
Balance of Profit carried forward	5.52	289.12

Key Financials

The Company recorded gross revenues of Rs. 903.33 crores for the year under review as against gross revenues of Rs. 620.68 crores in the previous year. The margins were under pressure during the year for both the divisions viz. Supply Chain as well as People Logistics business. The Company has incurred a loss of Rs. 2.84 crores (after accounting for Deferred tax Income of Rs. 1.62 crores) for the year as compared to profit of Rs. 4.46 crores in previous year which is mainly on account of lower margins as well as the need to recognize certain bad and doubtful debts and advances.

Dividend

In view of loss for the year, your Directors regret their inability to recommend any dividend for the year.

Directors

Mr. Ruzbeh Irani and Mr. Parag Shah retire by rotation, and being eligible, offer themselves for re-appointment at the forthcoming Annual General Meeting.

Mr. Sanjay Sinha resigned as Managing Director and also as a Director of the Company with effect from 15th February, 2010.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Loss of the Company for the year ended on that date;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

Audit Committee

The Audit Committee of the Company comprises Mr. Anjanikumar Choudhari, Mr. K. Chandrasekar and Mr. Parag Shah. The Audit Committee met twice during the year under review.

Remuneration Committee

The Remuneration Committee of the Company comprises Mr. Anjanikumar Choudhari, Mr. Zhooben Bhiwandiwala and Mr. Ruzbeh Irani.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, retires as Auditors of the Company at the forthcoming Annual General Meeting and have given their consent for re-appointment. The shareholders will be required to appoint Auditors for the current year and fix their remuneration.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company has obtained a written certificate from the above Auditors to the effect that their reappointment, if made, would be in conformity with the limits specified in the said section.

Employee Engagement & Development

Employee development is a key priority with emphasis on specialized domain and skill based programs - classroom and on the job. During the year, your Company continued to focus on developing the Key Account Management approach amongst all the business processes. Your Company continued to conduct training programmes for its employees.

Public Deposits and Loans/Advances

The Company has not accepted any deposits from the public or its employees during the year under review.

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement of the parent company - Mahindra & Mahindra Limited with Stock Exchanges.

Codes of Conduct

During the year under review, the Company had adopted Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Codes from the Board Members and the Senior Management Personnel and Employees of the Company affirming compliance with the respective Codes.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, 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 given in Annexure I to this Report.

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 and Rules framed thereunder

The details of employees who were in receipt of remuneration of not less than Rs. 24,00,000 during the year ended 31st March, 2010 or not less than Rs. 2,00,000 per month during any part thereof are given in Annexure II to this report.

For and on behalf of the Board

Anjanikumar Choudhari
Chairman

Mumbai, 30th April, 2010

ANNEXURE I TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

The operations of your Company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

(c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: The above measures have resulted in reduction of Energy consumption.

(d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not Applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Areas in which Research & Development is carried out: None
2. Benefits derived as a result of the above efforts: Not applicable
3. Future plan of action: None
4. Expenditure on R & D: Nil
5. Technology absorption, adaptation and innovation: None
6. Imported Technology for the last 5 years: None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings and outgo during the year under review is furnished in the Notes on Accounts.

For and on behalf of the Board

Anjanikumar Choudhari
Chairman

Mumbai, 30th April, 2010

ANNEXURE II TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010:

Sr. No.	Name of Employee	Designation	Qualification	Age (years)	Date of Joining	Experience (years)	Gross Remuneration (Rs.)	Previous Employment (Designation / Organisation)
1	Mr. Hafiz Vakil *	Vertical Head-International Business	B.E Production	53	1st October, 2008	30	2,352,379	Vertical Head-International Business, Logistics Division, Mahindra & Mahindra Ltd.
2	Mr. Surajit Raha	Vice President-Supply Chain Business	B. Com. (Hons)	43	1st October, 2008	21	4,561,678	Vertical Head - Supply Chain Management, Logistics Division, Mahindra & Mahindra Ltd.
3	Mr. Anupam Bhatnagar	Vice President-M&M Business and Multi Modal Transportation & Networking	B. A. History, M.A Economics, LLB (Hons)	59	1st October, 2008	37	4,393,702	Vertical Head - Mahindra Business, Logistics Division, Mahindra & Mahindra Ltd.
4	Mr. Sanjay Rai	Vice President-People Logistics	B. Com. MBA	47	1st October, 2008	23	4,711,388	Vertical Head - Corporate People Movement, Logistics Division, Mahindra & Mahindra Ltd.
5	Mr. Sanjay Sinha	Managing Director	B.Com. MBA	54	1st October, 2008	33	7,800,204	Chief Executive, Logistics Division, Mahindra & Mahindra Ltd.
6	Mr. Ravi Begur	Head IT	B. E. Mechanical engineering, P G Diploma Comp. Appln.,M.B.A. (Full time) System	43	4th October, 2008	17	2,507,750	Operations Senior Manager, Dell International Services India.
7	Ms. Rekha Verma	Head Strategy	B. A. Economics, M.B.A. (Full time) Marketing	44	1st October, 2008	19	2,542,492	Dy. General Manager, IBM Daksh Business Process Services Pvt Ltd.
8	Mr. S Raman Hariharan	Head-Retail Businesss	'B. Sc. Physics, P G Diploma Business Management, M.B.A. (Part time) Marketing	46	10th October, 2008	26	3,869,933	National Business Head, Manpower Inc, India.
9	Mr. Nikhil * Nayak	Chief Financial Officer	B. Com, ACA	49	21st October, 2009	26	1,155,836	Chief Financial Officer-International Business, Pidilite Industries Ltd.
10	Mr. Pirojshaw Sarkari *	Chief Executive Officer	B.Com, ACA	44	2nd March, 2010	17	362,443	Managing Director, United Parcel Services, India.

* Employed for part of the year.

NOTES:

1. Nature of employment is permanent.
2. The above employees are not related to any other Directors.
3. No employee holds by himself/herself or along with his/her spouse and dependent children 2% or more of the equity shares of the Company.
4. Terms and conditions of employment are as per Company's Rules / Contract.
5. Gross remuneration received as shown in the statement includes salary, Commission, Bonus, House Rent Allowance or value of perquisites for accommodation, car perquisites value/allowances as applicable, employer's contribution to Provident Fund and Superannuation Scheme including group insurance premium, leave encashment, leave travel facility, reimbursement of medical expenses and all allowances/perquisites and terminal benefits, as applicable.

For and on behalf of the Board

Anjanikumar Choudhari
Chairman

Mumbai, 30th April, 2010