

DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present the Fifth Annual Report and the Audited Accounts for the financial year ended 31st March, 2011.

Financial Results

(₹ In Lacs)

Particulars	2010-2011	2009-2010
Gross Receipts	4,501.08	4,232.68
Less: Expenditure before Interest and Depreciation	(4,596.57)	(3,861.70)
Gross Profit before Interest and Depreciation	(95.49)	370.98
Less : Interest	(1,274.98)	(1,190.66)
Less : Depreciation	(1,481.56)	(1,381.95)
Profit / (Loss) before Tax	(2,852.03)	(2,201.63)
Less : Provision for Tax	Nil	Nil
Less : Provision for Fringe Benefit Tax	Nil	0.31
Profit/ (Loss) After Tax	(2,852.03)	(2,201.32)
Add : Profit/ (Loss) brought forward from earlier year	(4,165.31)	(1,963.99)
Balance Carried to Balance Sheet	(7,017.34)	(4,165.31)

Operations

During the year traffic has marginally grown over the previous year. Your company registered a gross receipt of ₹ 4,501.08 Lacs during the year as compared to ₹ 4,232.68 Lacs during the last year, increased of 6.34 %. Out of the said gross receipts your company has earned ₹ 4,386.90 Lacs from terminal handling charges.

The container traffic at the terminal increased by of 9% during the year. The company would be taking up construction of the container parking yard during 2011-12.

Dividend

Your Directors have not recommended any dividend on Equity Shares or dividend on Preference Shares for the year under review.

Allotment

During the year under review, Company has issued and allotted 1,40,00,000 equity shares of ₹10 each by way of a rights issue.

Directors

Mr. Rishi Agarwal, a Director of the Company since June 13, 2006, who retires by rotation at the ensuing Annual General Meeting has conveyed his decision not to offer himself for re-appointment. The Directors place on record their appreciation for the contribution made by Mr. Rishi Agarwal during his tenure as Director of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association, Mr. Lee Chen Yong was appointed as an Additional Director on the Board, with effect from October 25, 2010. He shall hold office upto the date of the ensuing Annual General Meeting.

ABG Kandla Container Terminal Ltd. becomes material unlisted subsidiary of ABG Infralogistics Limited as per Clause 49 of the listing Agreement of Bombay Stock Exchange entered by Holding Company. Thus, one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non listed Indian subsidiary company.

Therefore, Mr. Ravishankar Gopalan, an independent Director of ABG Infralogistics Ltd, is proposed for appointment as director of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of their appointment for the office of Director, liable to retire by rotation.

Mr. Tan Song Boon Danny, Directors of the Company, retires by rotation and being eligible offers themselves for re-appointment at the ensuing Annual General Meeting. Your Directors recommend his re-appointment

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the Annual Accounts for the year ended March 31, 2011, the applicable Accounting Standards had been followed and there is no material departure from the same;

- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the loss of the company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care 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; and
- iv) the Directors have prepared the accounts for the year ended March 31, 2011 on a going concern basis.

Auditors and Auditors' Report

M/s. M. M. Chaturvedi & Co, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified from such reappointment within the meaning of Section 226 of the Companies Act, 1956.

The observations of the Auditors, together with the notes to Accounts referred to in the Auditors' Report, are self-explanatory and do not call for any further explanation.

Audit Committee

During the financial year, the Audit Committee comprised of three Directors namely, Mr. Kamlesh Kumar Agarwal, Mr. Kenny Low and Mr. Yong David Antonius. Subsequent to resignation of Mr. Kenny Low and Mr. Yong David Antonius, the Audit Committee has been reconstituted w.e.f June 10, 2010 to comprise Mr. Kamlesh Kumar Agarwal, Mr. Vincent Hak Sen Ng and Mr. Tan Song Boon Danny as a member of Committee.

The role and functions of the Audit Committee are in conformity with the requirements of Section 292A of the Companies Act, 1956.

The Committee met periodically during the year and had discussions with the Auditors on internal control systems.

Particulars of Employees

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

- i. Part A and B of the Rules, pertaining to conservation of energy and technology absorption, are not applicable to the Company.
- ii. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned	- Nil
Foreign Exchange Used	- ₹ 6,09,680/-

Acknowledgement

Your Directors place on record their appreciation for the support and co-operation extended by Company's Bankers, the Kandla Port Trust Officials, government authorities, customers, dealers, suppliers and the contribution made by the employees and other stakeholders of the Company during the year under review.

For and on behalf of the Board of Directors

Place : Mumbai
Date : April 26, 2011

Saket Agarwal
Director

Vincent Hak Ng Sen
Director

AUDITORS' REPORT

To
The Members of
ABG Kandla Container Terminal Limited

1. We have audited the attached Balance Sheet of ABG Kandla Container Terminal Limited ("the Company") as at March 31st 2011, 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 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 principle used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) 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 at 31st March 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on 31st March, 2011; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended 31st March, 2011.

For M. M. Chaturvedi & Co.
Chartered Accountants
(Firm Registration No. 112941W)

M. M. Chaturvedi
Partner
Membership No.: 31118

Place : Mumbai
Date : 26th April, 2011

ANNEXURE TO AUDITORS' REPORT

(The Annexure referred to in paragraph 3 of the auditor's report of even date to the members of ABG Kandla Container Terminal Limited on the accounts for the period ended March 31, 2011.)

1. In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information given to us, no material discrepancy has been noticed on such verification as compared to records.
 - c. In our opinion, the Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern status.
2. According to the information and explanations given to us, the Company's nature of operations does not require it to hold inventories and accordingly, clause 4(ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, the Company has not given any loan to any of above parties during the year.
 - b. In view of our comment in 3(a) above requirement of clause 3(b) of the said order are not applicable.
 - c. In view of our comment in 3(a) above requirement of clause 3(c) of the said order are not applicable.
 - d. In view of our comment in 3(a) above requirement of clause 3(d) of the said order are not applicable.
 - e. According to the information and explanations given to us, the loan taken from Holding Company for ₹ 198 lacs in earlier year has continue during the year.
A Short term loan of ₹ 193 lacs taken from a fellow subsidiary has been repaid during the year.
 - f. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - g. As the aforesaid loans taken are repayable on demand, the question of overdue amount does not arise.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchases of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not noted any continuing failure to correct major weakness in the internal control system during the course of the audit.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a. In our opinion, and according to the information and representations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in 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 to contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. *The Company does not have a formal internal audit system.* However, according to the information and explanations given to us, operating control systems are commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenances of cost records, under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
9.
 - a. According to the information and explanations given to us, and on the basis of our examination of the books of account, *except delayed payments of service tax and TDS dues*, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and any other material statutory dues whichever is applicable to it with the appropriate authorities. According to the information given to us, no undisputed amounts in respect of aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no disputed statutory dues which have not been deposited.
10. As the Company has been registered for a period less than five years, the question of reporting accumulated losses at the end of financial year does not arise. The Company has incurred cash losses during the financial year as well as in immediately preceding financial year.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.

ANNEXURE TO AUDITORS' REPORT

12. According to the information and explanations given to us, the Company has not granted loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for others.
16. According to the information and explanations given to us, the term loans availed by the Company have been applied during the year for the purposes for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investments.
18. According to the information and explanations given to us, Company has not made any preferential allotment of shares to parties/Companies covered in the register maintained under section 301 of the Companies Act 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For M. M. Chaturvedi & Co.

Chartered Accountants
(Firm Registration No. 112941W)

M. M. Chaturvedi

Partner
Membership No.: 31118

Place : Mumbai

Date : 26th April, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SOURCES OF FUNDS :			
Shareholders' Fund			
Share Capital	A	28,00,00,000	14,00,00,000
Reserves & Surplus	B	230,00,00,000	230,00,00,000
Loan Funds			
Secured Loan	C	96,11,10,308	98,61,10,304
Unsecured Loan		1,98,49,666	1,98,49,666
		98,09,59,974	100,59,59,970
		356,09,59,974	344,59,59,970
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	207,86,67,180	206,73,87,635
Less : Accumulated Depreciation		44,85,88,744	30,04,32,411
		163,00,78,436	176,69,55,224
Capital Work in Progress		97,68,540	1,06,42,750
		163,98,46,976	177,75,97,974
Investments			
	E	107,94,07,693	107,94,07,693
Current Assets, Loans And Advances			
Sundry Debtors	F	2,09,36,947	2,71,20,046
Cash and Bank balances		8,42,41,105	12,30,16,924
Loans and Advances		21,09,15,070	19,13,40,539
		31,60,93,122	34,14,77,509
Less : Current Liabilities and Provisions	G	17,61,22,053	16,90,54,875
Net Current Assets		13,99,71,069	17,24,22,634
Profit and Loss account		70,17,34,237	41,65,31,669
		356,09,59,974	344,59,59,970
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	L		

As per our attached report of even date

For M. M. Chaturvedi & Co.
Chartered Accountants
(Firm Registration No. : 112941W)

M. M. Chaturvedi
Partner
Membership No. : 31118

Place : Mumbai
Dated : 26th April, 2011

For and on behalf of the Board

K. K. Agarwal
Managing Director

Vincent Hak Sen Ng
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the Year Ended 31 March, 2011 (₹)	For the Year Ended 31 March, 2010 (₹)
INCOME			
Operational receipts	H	43,86,89,637	41,81,51,382
Other income	I	1,14,18,949	51,16,913
		45,01,08,586	42,32,68,295
EXPENDITURE			
Royalty to Port		21,65,02,674	20,70,38,081
Payment to and provision for employees	J	2,65,62,652	2,59,86,407
Operational and other expenses	K	21,65,91,794	15,31,45,643
Interest		12,74,97,701	11,90,66,403
Depreciation		14,81,56,333	13,81,95,240
		73,53,11,154	64,34,31,774
NET PROFIT / (LOSS) BEFORE TAX		(28,52,02,568)	(22,01,63,479)
Add / (Less) : Reversal / (Provision) for Fringe Benefit Tax		-	30,558
NET PROFIT/(LOSS) AFTER TAX		(28,52,02,568)	(22,01,32,921)
Add: Balance brought forward from previous year		(41,65,31,669)	(19,63,98,748)
NET LOSS CARRIED TO BALANCE SHEET		(70,17,34,237)	(41,65,31,669)
Basic / Diluted Earning per Equity Share of ₹ 10/- each		(26.34)	(55.03)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	L		

As per our attached report of even date

For M. M. Chaturvedi & Co.
Chartered Accountants
(Firm Registration No. : 112941W)

M. M. Chaturvedi
Partner
Membership No. : 31118

Place : Mumbai
Dated : 26th April, 2011

For and on behalf of the Board

K. K. Agarwal
Managing Director

Vincent Hak Sen Ng
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lacs)

	For the year Ended 31 March, 2011	For the year Ended 31 March, 2010
A CASH FLOWS FROM OPERATING ACTIVITIES		
Net / (Loss) before tax as per Profit and Loss Account	(2,852.03)	(2,201.63)
Adjusted for :		
Depreciation	1,481.56	1,381.95
Interest expenses	1,274.98	1,190.66
Provision for Leave encashment	1.18	0.86
Provision for gratuity	1.01	3.37
Preliminary and share issue expenses	1.40	0.00
Interest income	(107.66)	(51.17)
Operating Profit / (Loss) before working capital changes	(199.56)	324.04
Adjusted for		
Decrease/ (Increase) in Trade and other receivables	(5.60)	(13.60)
Increase/ (Decrease) in Trade payables	57.76	(80.50)
Cash generated from operations	(147.40)	229.94
Taxes paid	(128.31)	(51.99)
Net Cash flow from Operating Activities	(275.71)	177.95
B CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in Fixed assets / Capital work in progress	(104.05)	(16.60)
Interest income	107.66	51.17
Net Cash Used in Investing Activities	3.61	34.57

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lacs)

	For the year Ended 31 March, 2011	For the year Ended 31 March, 2010
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of issue of Equity Shares	1,400.00	-
Repayment of Secured Loans	(250.00)	(126.45)
Unsecured Loans given including repayment	0.00	(325.00)
Interest expense	(1,264.26)	(1,164.13)
Preliminary and share issue expenses	(1.40)	0.00
Net Cash flow from Financing Activities	(115.66)	(1,615.58)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(387.76)	(1,403.06)
Opening balance of Cash and Bank equivalents	1,230.17	2,633.23
Closing Balance of Cash and Cash Equivalent	842.41	1,230.17
(Note : Components of Cash and Cash Equivalents are given under Cash and Bank balances in Schedule "F" annexed to Balance Sheet as at 31 st March, 2011)		

As per our attached report of even date

For M. M. Chaturvedi & Co.
Chartered Accountants
(Firm Registration No. : 112941W)

For and on behalf of the Board

M. M. Chaturvedi
Partner
Membership No. : 31118

K. K. Agarwal
Managing Director

Vincent Hak Sen Ng
Director

Place : Mumbai
Dated : 26th April, 2011

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31 March, 2011 (₹)	As at 31 March, 2010 (₹)
Schedule - "A"		
SHARE CAPITAL		
Authorised		
2,00,00,000 (Previous year 40,00,000) Equity Shares of ₹ 10/- each	20,00,00,000	4,00,00,000
Nil (Previous year 1,60,00,000) 9 % Cumulative Redeemable Preference shares of ₹ 10/- each	-	16,00,00,000
1,00,00,000 (Previous year 1,00,00,000) 0.001% Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each	10,00,00,000	10,00,00,000
	30,00,00,000	30,00,00,000
Issued, Subscribed and Paid-up :		
1,80,00,000 (Previous year: 40,00,000) Equity Shares of ₹ 10/- each, fully paid up. (Note : Out of the above shares, 1,79,99,400 Equity shares (Previous Year 39,99,400) are held by ABG Infralogistics Ltd.; the holding Company)	18,00,00,000	4,00,00,000
1,00,00,000 (Previous year : 1,00,00,000) 0.001% Cumulative Compulsorily Convertible Preference Shares of ₹ 10/- each (These Preference Shares are convertible at a date, not later than 21 st October, 2011, into such number of Equity Shares as will give PSA India Pte. Ltd., 49% shareholding in the Equity Share Capital of the Company)	10,00,00,000	10,00,00,000
	28,00,00,000	14,00,00,000
SCHEDULE "B"		
RESERVES AND SURPLUS		
Security Premium		
As per last Balance Sheet	230,00,00,000	230,00,00,000
	230,00,00,000	230,00,00,000
SCHEDULE "C"		
LOAN FUNDS		
I . SECURED LOANS		
Term Loan from Banks (Secured by pari-passu first charge on all fixed assets and pari-passu first hypothecation on entire current assets of the company including receivables under license agreement with Kandla Port Trust)	96,11,10,308	98,61,10,304
	96,11,10,308	98,61,10,304
II . UNSECURED LOANS		
Due to Holding Company	1,98,49,666	1,98,49,666
TOTAL LOAN FUNDS (I+II)	98,09,59,974	100,59,59,970

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

**SCHEDULE "D"
FIXED ASSETS**

(In ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Additions during the Year	Deductions during the Year	Total as at 31.03.2011	As at 01.04.2010	Depreciation during the Year	Deduction during the year	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Building	80,46,236	10,08,803	-	90,55,039	6,13,263	2,82,833	-	8,96,096	81,58,943	74,32,973
Plant and Machinery	203,29,29,946	8,63,052	-	203,37,92,998	29,35,63,810	14,53,44,611	-	43,89,08,421	159,48,84,577	173,93,66,136
Office Equipment	1,65,26,080	84,43,063	-	2,49,69,143	29,70,791	13,40,683	-	43,11,474	2,06,57,669	1,35,55,289
Motor Car	22,11,955	-	-	22,11,955	6,36,799	2,10,136	-	8,46,935	13,65,020	15,75,156
Furniture and Fixture	28,25,578	9,34,627	-	37,60,205	4,81,245	1,91,067	-	6,72,312	30,87,893	23,44,333
Intangible Assets										
Computer Software	48,47,840	30,000	-	48,77,840	21,66,503	7,87,003	-	29,53,506	19,24,334	26,81,337
Total	206,73,87,635	1,12,79,545	-	207,86,67,180	30,04,32,411	14,81,56,333	-	44,85,88,744	163,00,78,436	176,69,55,224
Previous Year	129,30,17,153	77,43,70,482	-	206,73,87,635	16,22,37,171	13,81,95,240	-	30,04,32,411	176,69,55,224	

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	Face Value	As at 31st March, 2011		As at 31st March, 2010	
		No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
SCHEDULE "E"					
INVESTMENTS					
Long Term Investments (Other than Trade) : Unquoted					
Equity Shares :					
ABG Ports Pvt. Ltd. (a fellow subsidiary company, with ABG Infralogistics Ltd. being common Holding Company)	₹ 10/-	87,451	107,94,07,693	87,451	107,94,07,693
			107,94,07,693		107,94,07,693

	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SCHEDULE "F"		
CURRENT ASSETS, LOANS AND ADVANCES		
(A) CURRENT ASSETS:		
Sundry Debtors (Unsecured and Considered good) For a period exceeding six months	16,97,459	14,26,616
Others	1,92,39,488	2,56,93,430
	2,09,36,947	2,71,20,046
Cash and Bank balances		
Cash on hand	1,96,111	2,21,195
Balance with Scheduled Banks :		
In Current account	5,60,48,446	3,54,61,738
Fixed deposit with Bank	2,79,96,548	8,73,33,991
	8,42,41,105	12,30,16,924
(B) LOANS AND ADVANCES:		
Advances recoverable in cash or in kind or for value to be received	14,16,41,916	13,49,22,545
Deposits	73,04,939	72,80,939
Tax deducted at source / Advance Tax	6,19,68,215	4,91,37,055
	21,09,15,070	19,13,40,539
	31,60,93,122	34,14,77,509

**SCHEDULES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2011**

	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
SCHEDULE "G"		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Advance from Customers	1,25,32,510	1,03,25,429
Sundry Creditors (Capital goods)	64,39,845	64,39,845
Sundry Creditors (Others)	9,60,58,327	8,77,26,532
Security Deposit	40,46,496	35,96,496
Other Liabilities	5,02,30,900	5,54,44,115
Interest accrued but not due	53,16,320	42,44,435
	17,46,24,398	16,77,76,852
Provisions		
Provision for Leave encashment	5,78,661	4,60,494
Provision for Gratuity	9,18,994	8,17,529
	14,97,655	12,78,023
	17,61,22,053	16,90,54,875

**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	For the Year Ended 31st March, 2011 (₹)	For the Year Ended 31st March, 2010 (₹)
SCHEDULE "H"		
OPERATIONAL RECEIPTS		
Terminal handling charges	43,86,89,637	41,81,51,382
	43,86,89,637	41,81,51,382
SCHEDULE "I"		
OTHER INCOME		
Interest income {Tax deducted at source ₹ 459,404/- (Previous year: ₹ 223,357/-)}	1,07,65,774	51,16,842
Miscellaneous income	6,53,175	71
	1,14,18,949	51,16,913
SCHEDULE "J"		
PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salary	2,37,11,401	2,31,35,367
Contribution to provident fund	13,99,411	13,55,733
Staff welfare expenses	14,51,840	14,95,307
	2,65,62,652	2,59,86,407

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

	For the Year Ended 31st March, 2011 (₹)	For the Year Ended 31st March, 2010 (₹)
SCHEDULE "K"		
OPERATIONAL AND OTHER EXPENSES		
Electricity, Oil and Fuel	4,61,89,871	3,66,27,435
Insurance	35,20,295	37,79,761
Stores and spares consumed	2,10,27,313	1,09,85,640
Repairs and Maintenance to Machinery and equipment	59,19,868	29,53,562
Repairs and Maintenance to Buildings	13,87,680	2,91,498
Advertisement and Business promotion	8,93,601	14,17,819
Rent	64,44,651	63,86,776
Rates and taxes	11,08,580	8,58,143
Travelling, Conveyance and Vehicle expenses	40,19,293	33,08,790
Lease/ Hire charges of equipment	32,32,901	6,01,899
License fees to port	9,67,41,532	6,60,73,584
Amortisation of upfront fees to port	33,33,336	33,33,336
Postage and Telephone	6,59,036	5,24,009
Bank charges	30,78,109	24,12,634
Printing and stationery	11,12,332	7,27,124
Miscellaneous expenses	16,64,762	11,94,895
Professional fees	28,10,012	37,75,233
Labour charges	1,00,27,738	66,59,794
Transportation charges	82,117	1,00,053
Security charges	17,69,406	13,40,541
Loss/(Gain) on Foreign exchange	-	(35,95,230)
Rebates & Discount	12,59,705	33,86,945
Donation	79,186	1,402
Share Issue Expenses	1,40,000	-
Prior Period Expenses	90,470	-
	21,65,91,794	15,31,45,643

**SCHEDULE FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011.**

SCHEDULE "L"**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES:****(a) BASIS OF ACCOUNTING**

The financial statements are prepared on accrual basis and in accordance with the historical cost convention and in accordance with the applicable accounting standards and generally accepted accounting principles in India.

(b) FIXED ASSETS

Fixed assets are stated at cost less depreciation. Cost of acquisition or construction includes incidental expenses, interest upto the date of commissioning and adjustments due to foreign exchange fluctuations, including forward cover charges upto the date of acquisition of assets.

(c) DEPRECIATION

Depreciation has been provided on straight line method as per the rates prescribed under schedule XIV of the Companies Act, 1956.

(d) INVENTORY

Stores and spares are written off in the year of purchase.

(e) FOREIGN CURRENCY TRANSACTIONS

Transactions in Foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain / loss is reflected in the Profit and Loss Account.

(f) BORROWING COSTS

Borrowing costs directly attributable to the acquisition and construction of assets are capitalized as part of the cost of respective assets up to the date when such asset is ready for intended use. Other borrowing costs are charged to Profit and Loss Account.

(g) PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax assets is recognized, and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

(h) EMPLOYEE BENEFIT PLAN**i) Defined Contribution plans viz Provident Fund**

Eligible employee receives benefits from a Provident Fund which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

ii) Post Employment defined benefit plan

Company has made provision for accrued liability for Gratuity and Leave encashment as per Actuarial Valuation. Actuarial Valuation for gratuity liability has been arrived as under:

(In ₹)

Particulars	2010-11	2009-10
Change in projected benefit obligation		
Opening projected benefit obligation	8,17,529	4,80,446
Current service cost	2,92,353	3,08,099
Interest cost	65,402	38,436
Actuarial (gain)	(2,56,290)	(9,452)
Benefit paid	Nil	Nil
Closing projected benefit obligation	9,18,994	8,17,529

(In ₹)

Particulars	2010-11	2009-10
Change in Plan Assets		
Opening fair value of plan	Nil	Nil
Actual return on plan assets	N.A.	N.A.
Actuarial gain	Nil	Nil
Contribution by employer	Nil	Nil
Benefits paid	Nil	Nil
Closing fair value of plan assets	N.A.	N.A.
Net Liability	9,18,994	8,17,529
Expense for the year:		
Current service cost	2,92,353	3,08,099
Interest on projected benefit obligation	65,402	38,436
Actual return on plan assets	Nil	Nil
Net actuarial (gain)	(2,56,290)	(9,452)
Total included in employment expenses	1,01,465	3,37,083
Financial Assumption at the Valuation Date :		
Discount rate	8%	8%
Rate of increase in compensation levels	6%	6%

- As all the "timing differences" are expected to be reversed during the period of tax holiday to which the Company is entitled under section 80IA of Income Tax Act, 1961, no deferred tax adjustment has been made in accounts.
- As the Company does not have distinguishable business segments, the requirement to give segment reporting as per Accounting Standard (AS 17) on Segment Reporting issued by the Institute of Chartered Accountants of India is not applicable.
- Outstanding Bank guarantees as on 31.03.2011 ₹ 2,412.25 Lacs (Previous Year: ₹ 2,412.25 Lacs).
- Estimated amount of contracts remaining to be executed on capital account (net of advances): Nil (Previous year: ₹ 108.18 Lacs).
- Kandla Port Trust (KPT) has made claims of ₹ 26.72 Crore (Previous year: ₹ 15.81 Crore) on company which have been contested by the company and not acknowledged as debts and accordingly, not provided for in accounts.
- There are no Micro, Small and Medium Enterprises as defined in the "MICRO, SMALL, MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006", to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- CIF Value of Imports made during the year

Particulars	2010-11 (₹)	2009-10 (₹)
Capital goods	Nil	Nil
Store & spare parts	6,09,680	3,05,275

- Auditors remuneration paid/provided:

Particulars	2010-11 (₹)	2009-10 (₹)
Audit fees	6,25,000	4,50,000
Tax Audit fees	1,75,000	1,50,000
Certification fees	NIL	5,000

10. Balance of debtors and creditors are subject to confirmation. However, in the opinion of the Board Current assets, Loans and Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated.

11. Break up of consumption of Stores and spares and components.

Particulars	2010-11		2009-10	
	(₹)	%	(₹)	%
- Imported	7,97,555	4	3,43,579	0
- Indigenous	2,02,29,758	96	1,06,42,061	100
	2,10,27,313	100	1,09,85,640	100

12. Earning per Share (EPS) is calculated as under:

Particulars	2010-11 (₹)	2009-10 (₹)
a) Numerator - Net Loss as disclosed in Profit and Loss Account	(28,52,02,568)	(22,01,32,921)
b) Number of equity shares outstanding at the beginning of the year	40,00,000	40,00,000
c) Add : Number of equity shares issued during the year (05 th October 2010)	1,40,00,000	-
d) Number of equity shares outstanding at the end of the year	1,80,00,000	40,00,000
e) Denominator - Weighted Average number of equity shares outstanding for the year	1,08,27,397	40,00,000
f) Nominal Value of Shares	₹ 10	₹ 10
g) Earning / (Loss) per share	₹ (26.34)	₹ (55.03)

13. Company is engaged in the business of development, operations, management and maintenance of Berth 11 and 12 in Kandla Port as Container Terminal on Build, Operate and Transfer ("BOT") basis. The information required to be furnished under paras 3, 4C, 4D of Part II Schedule VI of the Companies Act, 1956 has been given only to the extent applicable to the business of the Company.

14. Disclosure in respect of Related parties pursuant to Accounting Standard 18:

- a) Related Party: ABG Infralogistics Limited (Holding Company ABG Ports Private Limited (fellow Subsidiary Company)
- b) Disclosure of related party transaction with Holding Company

Particulars	2010-11 (₹)	2009-10 (₹)
Issue of Equity Shares	14,00,00,000	Nil
Loans paid including repayment of loan taken	Nil	3,25,00,000
Outstanding Loan payable on year end	1,98,49,666	1,98,49,666
Interest paid / provided	11,90,983	29,48,651

c) Disclosure of related party transaction with fellow Subsidiary Company

Particulars	2010-11 (₹)	2009-10 (₹)
Loan Refunded	1,92,71,074	3,25,00,000
Loan taken	1,92,71,074	Nil

15. Balance Sheet Abstract and Company's general Business Profile

I Registration Details

Registration No.	:	162584
State Code	:	11
Balance Sheet Date	:	31 st March, 2011

II Capital Raised during the year (Amount in ₹ '000)

Public Issue	:	Nil
Right Issue	:	1,40,000
Bonus Issue	:	Nil
Private Placement	:	Nil

III Position of Mobilisation and Deployment of Funds (Amount in ₹ '000)

Total Liabilities	:	35,60,960
Total Assets	:	35,60,960

Sources of Funds

Paid-up Capital	:	2,80,000
Reserves and Surplus	:	23,00,000
Deferred Tax Liability	:	Nil
Secured Loans	:	9,61,110
Unsecured Loans	:	19,850

Application of Funds

Net Fixed Assets	:	16,39,847
Investments	:	10,79,408
Net Current Assets	:	1,39,971
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	7,01,734

IV Performance of Company (Amount in ₹ '000)

Turnover (including other income)	:	4,50,108
Total Expenditure	:	7,35,311
Profit Before Tax	:	(2,85,203)
Profit After Tax	:	(2,85,203)
Earning per share (Equity) ₹	:	(26.34)
Dividend per share	:	Nil

V Generic Names Principal Product

Not applicable since Company is engaged in the business of development, operations, management and maintenance of Container Terminal on Build, Operate and Transfer ("BOT") basis

SIGNATURES TO SCHEDULE A TO L

As per our attached report of even date

For M. M Chaturvedi & Co.
Chartered Accountants
(Firm Registration No. : 112941W)

For and on behalf of the Board

M M Chaturvedi
Partner
Membership No. : 31118

K. K. Agarwal
Managing Director

Vincent Hak Sen Ng
Director

Place : Mumbai
Date : 26th April, 2011