

INFREIGHT LOGISTICS SOLUTIONS LIMITED

8TH Annual Report 2007-08





INFREIGHT LOGISTICS SOLUTIONS LIMITED

Subsidiary of

SUNDARAM FINANCE LIMITED

BOARD OF DIRECTORS

T. T. Srinivasaraghavan
Rahul Lalbhai Mehta
Srinivas Acharya
Rina Rahul Mehta
Mohan Krishnan

BANKERS

HDFC Limited
State Bank of India
Canara Bank
UCO Bank

AUDITORS

Dharmendra & Co., Mumbai
Chartered Accountants

COMPANY SECRETARY

R. Ajith Kumar

REGISTERED OFFICE

21, Patullos Road
Chennai – 600 002



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DIRECTORS' REPORT

Your Directors have the pleasure in presenting their 8th Annual Report together with the Audited Statement of Accounts for the year ended **March 31, 2008**.

A summarized financial results of the Company are given under:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Income from Operations	302577117	112922251
Profit/(Loss) before Depreciation and Tax:	(19680762)	(16116630)
(Add) / Less: Depreciation:	1047387	242242
Provision for tax	440000	232320
	1487387	
Profit/ (Loss) after Tax and Carried Balance Sheet	(20953128)	(16591183)
Bal. B/F for previous year	(31636376)	(15045184)
Balance carried to B/S	(52589505)	(31636377)

OPERATIONS:

Your directors are happy to inform to you that following a change in the business model during year, there was a significant increase in the activities of your company. During the year, your company achieved a turnover of Rs.30 Crores, against Rs.11.23 Crores in the previous year. Your company has also embarked on several initiatives such as:

- 1) Building a trucker community
- 2) Optimization of client transit insurance to reduces risks.
- 3) General Warehousing.



On the basis of the work that the company has done in Logistics Operations, your company is in the process of scaling up the activities in all the areas of business that the company is involved in, namely Logistics Operations, Consulting and Software and Vehicle Tracking Solutions. Your company has signed contracts with leading players in the growing retail sector, based on the expertise it has developed in handling such operations. Your company is also working with other logistics companies and handles their back-end transportation operations through its community development initiative. All these activities are in line with the new business model, with the existing activities such as Logistics Consultancy Services and development of Transport Management Software complementing the new activity of Logistics Services.

Your Company's community building initiative has made significant strides during the year and encompasses both local in-city movement as well as long distance routes, using a range of vehicles from LCVs to 32 feet containers and trailers. This has been one of the most significant developments during the year and is expected to scale up in the year ahead. Third Party logistics services such as Plant logistics, Inventory Management and warehousing are other areas of growth that your company is focusing on. The Company will continue to focus on its Consultancy, Software and Vehicle Tracking Systems, thereby, offering complete, end-to-end business solutions in the logistics arena.

DIVIDENDS

In view of the loss incurred, your Directors have not recommended any dividend for the year under review.

FIXED DEPOSIT

Your company has neither invited nor accepted any fixed deposits from the public.



DIRECTORS

Mr.Mohan Krishnan, who retires by rotation and being eligible, offer himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- ii) The Directors have 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 at the end of the financial year and of the profit of the Company for that period.
- 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.
- iv) The Directors have prepared the annual accounts on a going concern basis.

AUDITORS

The retiring auditor, M/s. Dharmendra & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

The provisions of Sec. 217 (2A) of the Companies Act, 1956, read with particulars of the Employees Rules 1975 are not applicable to your company since none of the employees is employed on a remuneration of Rs.2, 00,000/- p.m. or Rs.24, 00,000/- p.a. during the year under review.



ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The provision of Section 217 (1) (e) of the Companies (Disclosure in the Report of Board of Directors) Rules, 1988, are not applicable to your company since ours is a service industry, your company neither earned nor spent any foreign exchange during the year under review.

Acknowledgement

Your directors thank all the customers, transporters, bankers and mutual funds for their continued support to your company. Your directors also place on record their appreciation of the excellent contribution made by the employees at all levels for the growth of your company.

**For and On Behalf of the Board
For Infreight Logistics Solutions Limited**

Place: **Chennai**
Date: **May16, 2008**

T T Srinivasaraghavan
Chairman

AUDITORS REPORT

- 1 We have audited the attached Balance Sheet of **INFREIGHT LOGISTICS SOLUTIONS LIMITED** (formerly Infreight Technologies India Limited) ("the Company) as At 31 March 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We 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 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 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,(as amended by Companies (Auditor's report) Order, 2004 (together "the order") 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 of the matters specified in the paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above, we report that
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from the examination of the books;
 - (iii) The Balance Sheet and Profit and loss Account and Cash Flow Statement dealt with by this report are in the agreement with the books of accounts of the Company;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31March 2008 and taken on the record by the Board of Directors, we report that no director is disqualified as on 31 March 2008 from being appointed as a director of the Company in the terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in the 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 31 march 2008;
 - ii in the case of Profit and Loss Account, of the loss for the year ended on that date; and
 - iii in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Chennai

FOR DHARMENDRA & CO.
Chartered Accountants

Date: 16th May, 2008

Dharmendra C. Shah
Proprietor
M.No. 40234

INFREIGHT LOGISTICS SOLUTIONS LIMITED

(Annexure referred to in paragraph 3 of our report of even date)

- I)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us all the assets have been physically verified by the management at reasonable intervals and no discrepancy was noticed on such verification.
 - (c) As explained to us no substantial part of the fixed assets have been sold during the year.

- II)
 - (a) Physical verification at reasonable intervals in respect of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (b) In our opinion the procedures of physical verification of inventories 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 inventory and as explained to us no discrepancies were noticed.

- III)
 - (a) The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the said Order are not applicable to the Company for the current year.
 - (b) The Company has not taken any loan, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (e) to (iii) (g) of paragraph 4 of the said Order are not applicable to the Company for the current year.

- IV) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, services and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.

- V)** According to information & explanations given to us, there are no transactions made in pursuance of contracts or arrangements, that need to be entered in to the register maintained under section 301 of the Companies Act, 1956.
- VI)** In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- VII)** In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII)** According to the information and explanations given to us, 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 any of the products of the Company.
- IX)** (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax and service tax were in arrears, as at March 31, 2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax and service tax, which have not been deposited on account of any dispute.
- (X)** (a) The Company has accumulated loss of Rs. 5,25,89,505.37 at the end of the financial year 2007-2008 and the same is more than fifty per cent of its net worth as on 31.3.2008.
- (b) The Company has incurred cash loss during the year and also in 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 or bank.
- (XII)** In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other Securities.
- (XIII)** The provisions of any special statute applicable to chit fund/nidhi/mutual fund benefit/societies are not applicable to the Company.
- (XIV)** In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

- (XV) The Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4(XV) of the Companies (Auditor's Report) Order, 2004 are not applicable to the Company.
- (XVI) The Company has not obtained any term loans therefore, the provision of clause 4(XVI) of the Companies (Auditor's Report) Order, 2004 are not applicable to the Company.
- (XVII) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- (XVIII) The Company has not made any preferential allotment of shares to parties and companies, covered in the registered maintained under section 301 of Companies Act, 1956.
- (XIX) The Company has not issued any debentures during the year.
- (XX) The Company has not raised any money by public issue during the year.
- (XXI) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Chennai

FOR DHARMENDRA & CO.
Chartered Accountants

Date: 16th May, 2008

Dharmendra C. Shah
Proprietor
M.No. 40234

INFREIGHT LOGISTICS SOLUTIONS LIMITED
Formerly Infreight Technologies India Limited
BALANCE SHEET AS AT 31ST MARCH, 2008

		AS AT 31 ST MARCH, 2008		AS AT 31 ST MARCH, 2007	
<u>SOURCES OF FUNDS</u>	SCHEDULE	Rupees	Rupees	Rupees	Rupees
SHAREHOLDERS' FUNDS	1				
a. Capital		5,01,00,000.00		5,01,00,000.00	
b. Reserves and Surplus		-		-	
			5,01,00,000.00		5,01,00,000.00
LOAN FUNDS					
a. Secured Loans	2	4,88,59,612.49		1,46,58,048.00	
b. Unsecured Loans	3	2,46,00,000.00		-	
			7,34,59,612.49		1,46,58,048.00
	TOTAL		<u>12,35,59,612.49</u>		<u>6,47,58,048.00</u>
<u>APPLICATION OF FUNDS</u>					
FIXED ASSETS	4				
a. Gross Block		61,95,429.82		17,59,698.82	
b. less Depreciation		18,60,952.82		8,13,565.82	
c. Net Block			43,34,477.00		9,46,133.00
INVESTMENTS	5		-		1,01,57,635.42
CURRENT ASSETS, LOANS AND ADVANCES					
a. Inventories	6	13,14,000.00		32,00,237.00	
b. Sundry Debtors	7	9,47,47,723.14		3,01,30,723.92	
c. Cash and Bank balances	8	17,46,327.64		28,69,004.05	
d. Other Current Assets & Loans & Advances	9	1,13,84,219.37		45,34,578.50	
		<u>10,91,92,270.15</u>		<u>4,07,34,543.47</u>	
CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	10	4,18,51,285.03		1,84,53,666.60	
Provisions	11	7,22,030.00		2,82,030.00	
		<u>4,25,73,315.03</u>		<u>1,87,35,696.60</u>	
NET CURRENT ASSETS			6,66,18,955.12		2,19,98,846.87
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	12		16,675.00		19,056.00
PROFIT AND LOSS ACCOUNT					
Opening Balance		3,16,36,376.71		1,50,45,183.99	
Current Year		<u>2,09,53,128.66</u>		<u>1,65,91,192.72</u>	
			5,25,89,505.37		3,16,36,376.71
	TOTAL		<u>12,35,59,612.49</u>		<u>6,47,58,048.00</u>

NOTES TO ACCOUNTS

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As per our Report attached

FOR DHARMENDRA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD
INFREIGHT LOGISTICS SOLUTIONS LIMITED

DHARMENDRA C. SHAH
Proprietor
M.NO.40234

T.T.Srinivasaraghavan
Chairman

Rahul Mehta
Managing Director

R.Ajithkumar
Secretary

INFREIGHT LOGISTICS SOLUTIONS LIMITED
Formerly Infreight Technologies India Limited
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008.

		F.Y.2007-2008	F.Y.2006-2007
<u>INCOME</u>	<u>SCHEDULE</u>	<u>Rupees</u>	<u>Rupees</u>
Sales & Services	13	30,25,77,117.47	11,23,03,756.28
Other Income	14	-	6,18,494.91
		30,25,77,117.47	11,29,22,251.19
<u>Expenditure</u>			
Cost of Goods Sold	15	18,86,237.00	8,90,013.00
Cost of Services	16	27,49,19,021.98	11,16,65,631.52
Employment Expenses	17	1,88,38,933.23	65,96,938.46
Administrative & Other Expenses	18	2,02,42,572.77	83,85,584.99
Financial Expenses	19	63,71,115.35	15,00,713.66
Depreciation	4	10,47,387.00	2,42,242.28
		32,33,05,267.33	12,92,81,123.91
Loss for the year before tax		(2,07,28,149.86)	(1,63,58,872.72)
Prior Period Adjutments		(2,15,021.20)	-
		(2,05,13,128.66)	(1,63,58,872.72)
Provision For Income Tax			
Current		-	-
Deffered		-	-
FBT		(4,40,000.00)	(2,32,320.00)
Loss for the year after tax		(2,09,53,128.66)	(1,65,91,192.72)
Balance Brought Forward		(3,16,36,376.71)	(1,50,45,183.99)
Balance Carried to Balance Sheet		(5,25,89,505.37)	(3,16,36,376.71)
EARNING PER SHARE FOR THE YEAR		(4.18)	(7.10)

NOTES TO ACCOUNTS 20

As per our report attached to the Balance Sheet

FOR DHARMENDRA & CO.
 CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD
 INFREIGHT LOGISTICS SOLUTIONS LIMITED

DHARMENDRA C.SHAH
 Proprietor
 M.NO.40234

T.T.Srinivasaraghavan
 Chairman

Rahul Mehta
 Managing Director

R.Ajithkumar
 Secretary

CHENNAI
 Date: 16thMay,2008

CHENNAI
 Date: 16thMay,2008

INFREIGHT LOGISTICS SOLUTIONS LIMITED
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	<u>AS AT 31.03.2008</u> <u>Rupees</u>	<u>AS AT 31.03.2007</u> <u>Rupees</u>
<u>SCHEDULE 1: SHARE CAPITAL</u>		
<u>Authorised Capital</u>		
10000000 Equity Shares of Rs 10/- each (Previous Year 10000000 Shares)	<u>10,00,00,000.00</u>	<u>10,00,00,000.00</u>
<u>Issued Subscribed and Paid Up</u>		
5010000 Equity Shares of Rs 10/- each (Previous Year 5010000 Shares)	<u>5,01,00,000.00</u>	<u>5,01,00,000.00</u>
Per Balance Sheet	<u>5,01,00,000.00</u>	<u>5,01,00,000.00</u>
<u>SCHEDULE 2 : SECURED LOANS</u>		
Canara Bank Chennai *	4,76,98,386.49	1,46,58,048.00
Hirepurchase Car Loan from SFL	<u>11,61,226.00</u>	<u>-</u>
Per Balance Sheet	<u>4,88,59,612.49</u>	<u>1,46,58,048.00</u>
(* Secured on Book Debts)		
<u>SCHEDULE 3 : UNSECURED LOANS</u>		
Loan from a Holding Company	2,00,00,000.00	-
Loan from a Company	<u>46,00,000.00</u>	<u>-</u>
Per Balance Sheet	<u>2,46,00,000.00</u>	<u>-</u>

INFREIGHT LOGISTICS SOLUTIONS LIMITED
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	<u>AS AT 31.03.2008</u>	<u>AS AT 31.03.2007</u>
	<u>Rupees</u>	<u>Rupees</u>
<u>SCHEDULE 5 : INVESTMENTS</u>		
ABN AMRO Mutual Fund	-	1,01,57,635.42
(CY NA ; PY Market Value : Rs.1,01,96,234/-)		
Per Balance Sheet	-	1,01,57,635.42
<u>SCHEDULE 6 : INVENTORIES</u>		
(As taken valued and certified by a Director)		
Raw Materials	-	46,090.00
Finished Goods	13,14,000.00	31,54,147.00
Per Balance Sheet	13,14,000.00	32,00,237.00
<u>SCHEDULE 7 : SUNDRY DEBTORS</u>		
<u>(Unsecured,considered good)</u>		
For More than Six Months	36,72,419.58	1,25,773.00
Others	9,10,75,303.56	3,00,04,950.92
Per Balance Sheet	9,47,47,723.14	3,01,30,723.92
<u>SCHEDULE 8 : CASH AND BANK BALANCES</u>		
Cash on Hand	5,60,712.75	1,17,272.27
Bank Balance with Scheduled Banks	11,85,614.89	27,51,731.78
Per Balance Sheet	17,46,327.64	28,69,004.05
<u>SCHEDULE 9 : OTHER CURRENT ASSETS & LOANS & ADVANCES</u>		
<u>(Unsecured,considered good)</u>		
Sales Tax Refund Receivable	1,58,451.62	3,70,000.00
Income Tax - (TDS on Income)	59,51,777.23	22,90,235.50
Fringe Benefit Tax Paid	7,38,487.00	1,76,881.00
Advance recoverable in cash or kind or for value to be received	22,00,689.52	21,943.00
Staff Advances	4,85,214.00	14,419.00
Deposits From Custmomer / Given for Premises / others	18,49,600.00	16,61,100.00
Per Balance Sheet	1,13,84,219.37	45,34,578.50

INFREIGHT LOGISTICS SOLUTIONS LIMITED
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	<u>AS AT 31.03.2008</u> <u>Rupees</u>	<u>AS AT 31.03.2007</u> <u>Rupees</u>
<u>SCHEDULE 10 : CURRENT LIABILITIES</u>		
Sundry Creditors For Transport Charges / Goods	3,41,93,106.69	1,42,29,286.97
Sundry Creditors For Expenses	49,99,513.32	26,84,651.60
Statutory Liabilities	18,91,065.02	9,97,057.03
Other Liabilities	91,071.00	91,071.00
Advances Received From Customers	6,76,529.00	4,51,600.00
Per Balance Sheet	4,18,51,285.03	1,84,53,666.60
<u>SCHEDULE 11 : PROVISIONS</u>		
For Fringe Benefit Tax	7,22,030.00	2,82,030.00
Per Balance Sheet	7,22,030.00	2,82,030.00
<u>SCHEDULE 12 : MISCELLANEOUS EXPENDITURE</u> (To the extent not written off or adjusted)		
Preliminary expenses	19,056.00	21,437.74
Less : Written off during the year	2,381.00	2,381.74
Per Balance Sheet	16,675.00	19,056.00

FOR DHARMENDRA & CO.
 CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD
 INFREIGHT LOGISTICS SOLUTIONS LIMITED

DHARMENDRA C.SHAH
 Proprietor
 M.NO.40234

T.T.Srinivasaraghavan
 Chairman

Rahul Mehta
 Managing Director

R.Ajithkumar
 Secretary

CHENNAI
 Date: 16thMay,2008

CHENNAI
 Date: 16thMay,2008

INFREIGHT LOGISTICS SOLUTIONS LIMITED**SCHEDULE 4 : FIXED ASSETS****SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2008**

Amount in Rupees

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2007	Additions during the period	Deductions during the period	As at 31.03.2008	As at 01.04.2007	For the year	As at 31.03.2008	As at 31.03.2008	As at 31.3.2007
Furnitures & Fixtures	1,35,596.00	10,79,178.00	-	12,14,774.00	39,153.00	1,33,984.00	1,73,137.00	10,41,637.00	96,443.00
Computers	14,61,628.82	12,88,086.00	-	27,49,714.82	6,84,994.82	6,13,329.00	12,98,323.82	14,51,391.00	7,76,634.00
Air Conditioners	44,600.00	3,02,205.00	-	3,46,805.00	13,484.00	38,004.00	51,488.00	2,95,317.00	31,116.00
Office Equipment	59,016.00	1,59,574.00	-	2,18,590.00	17,076.00	15,057.00	32,133.00	1,86,457.00	41,940.00
Motor Car	-	15,11,346.00	-	15,11,346.00	-	1,51,671.00	1,51,671.00	13,59,675.00	-
Assets Less Than Rs 5000	58,858.00	95,342.00	-	1,54,200.00	58,858.00	95,342.00	1,54,200.00	-	-
Total as at 31.03.2008	17,59,698.82	44,35,731.00	-	61,95,429.82	8,13,565.82	10,47,387.00	18,60,952.82	43,34,477.00	9,46,133.00
Total as at 31.03.2007	8,40,575.00	9,19,123.82	-	17,59,698.82	5,71,323.54	2,42,242.28	8,13,565.82	9,46,133.00	2,69,251.46

INFREIGHT LOGISTICS SOLUTIONS LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	F.Y.2007-2008	F.Y.2006-2007
	<u>Rupees</u>	<u>Rupees</u>
<u>SCHEDULE 13 : SALES & SERVICES</u>		
<u>Sales</u>		
Sales of Products (Net of Returns)	16,92,387.00	11,78,933.60
<u>Services</u>		
Consultancy Services	-	1,49,935.00
Maintenance Charges for VTS Units	5,71,900.00	
Transportation Charges Recd.	28,51,86,694.63	10,66,98,098.68
Software Development Charges	29,31,497.38	33,19,900.00
Warehouse/Transport Management Fees	1,21,94,638.46	9,56,889.00
	30,08,84,730.47	11,11,24,822.68
Per Profit and loss Account	30,25,77,117.47	11,23,03,756.28
<u>SCHEDULE 14 : OTHER INCOME</u>		
Dividend Received	-	1,99,115.48
Short Term Capital Gain Received	-	49,116.18
Deposit/Advances/Creditors W/Back	-	3,70,263.25
	-	6,18,494.91
Per Profit and loss Account	-	6,18,494.91
<u>SCHEDULE 15 : COST OF GOODS SOLD</u>		
<u>Consumption of Raw Materials</u>		
Opening Stock	46,090.00	46,090.00
Purchases	-	-
Closing Stock	-	(46,090.00)
	46,090.00	-
<u>Utilisation of Finished Goods</u>		
Opening Stock	31,54,147.00	41,000.00
Purchases (Net of Returns)	-	40,03,160.00
Closing Stock	(13,14,000.00)	(31,54,147.00)
	18,40,147.00	8,90,013.00
Per Profit and loss Account	18,86,237.00	8,90,013.00
<u>SCHEDULE 16 : COST OF SERVICES</u>		
Transportation Charges	26,24,54,938.34	10,97,91,245.96
Service Charges (Warehousing)	49,25,609.00	1,56,337.00
Software Charges Paid	8,79,740.00	11,65,000.00
Maintenance Charges for VTS Units	6,42,950.00	-
Halting & Detention Charges	5,09,952.00	
Loading-Unloading Charges	37,42,067.17	3,62,750.00
Toll & Escort Charges	4,27,518.00	
Warehouse Rent	72,000.00	
Rate Difference/Discount/Damages	12,64,247.47	1,90,298.56
	27,49,19,021.98	11,16,65,631.52
Per Profit and loss Account	27,49,19,021.98	11,16,65,631.52

INFREIGHT LOGISTICS SOLUTIONS LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	F.Y.2007-2008	F.Y.2006-2007
	<u>Rupees</u>	<u>Rupees</u>
SCHEDULE 17 : EMPLOYMENT EXPENSES		
Salary and Allowances	1,61,76,876.98	61,64,280.00
Bonus	9,50,875.00	-
Contribution to PF	8,08,116.00	2,31,518.00
Contribution to Grauity Fund	6,27,650.00	
Labour Welfare Fund	818.00	-
Staff Welfare	2,74,597.25	2,01,140.46
	<u>1,88,38,933.23</u>	<u>65,96,938.46</u>
Per Profit and loss Account	<u>1,88,38,933.23</u>	<u>65,96,938.46</u>

SCHEDULE 18 : ADMINISTRATION & OTHERS EXPENSES

Rent	18,71,963.00	7,65,654.00
Insurance	27,504.00	84,759.00
Telephone Expnses	20,71,760.85	9,14,742.33
Printing & Stationery	5,71,934.35	2,13,134.60
Local Travelling Fare	15,35,069.00	17,36,533.87
Local Travelling Lodging & Boarding	12,33,670.11	-
Professional Fees / Retainership Fees	2,58,916.00	3,42,490.00
Service Charges Paid	81,66,344.98	18,75,917.00
Advertisement	56,873.00	2,59,015.57
Recruitment & Training Expenses	1,03,056.00	2,35,949.00
Office Expenses	4,91,005.00	1,48,319.50
Auditors Remuneration	1,00,000.00	60,000.00
<u>Repairs & Maintenance</u>		
Furniture	450.00	-
Computer	37,466.00	-
Car	950.00	-
Others	2,42,185.96	79,912.32
	<u>2,81,051.96</u>	<u>79,912.32</u>
Electricity Expenses	5,43,292.43	1,04,083.00
Conveyance	15,38,020.25	4,11,240.60
Commission & Brokerage	79,366.00	83,548.00
Miscellaneous Expenses	2,84,473.96	1,77,748.20
Post and telegram Expenses	1,17,829.64	24,791.00
ROC Fees & Stampduty	3,030.00	6,45,115.00
Vehical Expenses	1,25,997.40	89,323.26
Web Hosting/Internet Charges	1,81,863.00	1,30,927.00
Sales Promotion Expenses	5,11,854.00	-
Short Term Capital Loss	85,316.84	-
Preliminary Expenses	2,381.00	2,381.74
Per Profit and loss Account	<u>2,02,42,572.77</u>	<u>83,85,584.99</u>

INFREIGHT LOGISTICS SOLUTIONS LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	<u>F.Y.2007-2008</u> <u>Rupees</u>	<u>F.Y.2006-2007</u> <u>Rupees</u>
<u>SCHEDULE 19: FINANCIAL EXPENSES</u>		
Bill Discounting charges	6,326.00	-
Bank charges	1,63,137.35	1,23,360.66
Interest on Loans	62,01,652.00	13,77,353.00
Per Profit and loss Account	<u>63,71,115.35</u>	<u>15,00,713.66</u>

Signature to Schedules 1 to 19

FOR DHARMENDRA & CO.
CHARTERED ACCOUNTANTS

DHARMENDRA C.SHAH
Proprietor
M.NO.40234

CHENNAI
Date: 16thMay,2008

FOR AND ON BEHALF OF THE BOARD
INFREIGHT LOGISTICS SOLUTIONS LIMITED

T.T.Srinivasaraghavan Rahul Mehta R.Ajithkumar
Chairman Managing Director Secretary

CHENNAI
Date: 16thMay,2008

INFREIGHT LOGISTICS SOLUTIONS LIMITED
Formerly Infreight Technologies India Limited

FY- 2007-2008

Schedule – 20

Notes to Accounts

1. Significant Accounting Policies:

1.1. Accounting Concepts:

The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

1.2. Fixed Assets:

Fixed Assets are recorded at cost of acquisition inclusive of freight, duties, taxes and incidental expenses related to acquisition.

1.3. Depreciation:

Depreciation is being charged on the Fixed Assets on the written down value method in accordance with the provisions of Schedule XIV of the Companies Act, 1956 and assets less than Rs.5, 000/- are written off in the year of purchase.

1.4. Impairment of Fixed Assets:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or has decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

1.5. Inventories:

Inventories of raw materials and finished goods are valued as under:

Raw Materials

At Cost on FIFO basis.

Finished Goods

At lower of cost and net realisable value

INFREIGHT LOGISTICS SOLUTIONS LIMITED
Formerly Infreight Technologies India Limited

FY- 2007-2008

Schedule – 20

Notes to Accounts

1.6. **Revenue Recognition:**

Sales of Products are recorded when significant risks and rewards of ownership of products are passed on to the customers. Sales are stated at contractual realisable values, net of value added tax and inclusive of resale sales tax and trade discounts and returns if any.

Revenue from software development, which are generally time bound fixed price are recognised over the life of contract using the proportionate completion method, with contract cost determining the degree of completion.

Service other than above recognised on completion of it are net of services tax.

1.7. **Expenditure:**

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities and software development charges payable on proportionate completion method.

1.8. **Taxation:**

Deferred tax is recognised, subject to the consideration of prudence, 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 are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

1.9. **Preliminary Expenses:**

Preliminary Expenses are amortised in equated instalments over a period of 10 years.

1.10. **Investments:**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However provision for diminution in value if any, is made to recognise a decline other than temporary in the value of investments

1.11. **Earning Per Share:**

Earning per share has been shown under part IV of Schedule VI to the Companies Act, 1956. This complies with the requirement laid down by the accounting standard 20.

1.12. **Retirement Benefits:**

The company's liability towards gratuity to the employees is covered by a Group Policy with Life Insurance Corporation of India

INFREIGHT LOGISTICS SOLUTIONS LIMITED
Formerly Infreight Technologies India Limited

FY- 2007-2008

Schedule – 20

Notes to Accounts

2 Balances appearing to the debit or credit of various parties and stocks with the third parties (on consignment sale or for manufacturing) are subject to confirmation.

3. **Payment to auditors**

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fees	75,000.00	40,000.00
Tax Audit Fees	<u>25,000.00</u>	<u>20,000.00</u>
Total	<u>1,00,000.00</u>	<u>60,000.00</u>

4 Contingent liabilities not provided for (Performance Guarantees given to Customers by the Bank on behalf of Company) 23,00,000.00 Nil

5. Estimated amount of contracts remaining to be Executed on Capital account and not provided for. Nil Nil

6. Remuneration to Director (Gross) 17,25,000.00 Nil

7. **Value of Raw Materials Consumed / Sold**

		Current Year (Rs.)	Previous Year (Rs.)	
	%		%	
Indigenous	100	46090.00	100	Nil
Imported	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Total	<u>100</u>	<u>46090.00</u>	<u>100</u>	<u>Nil</u>

8. **Expenditure in Foreign Currency:**

(On accrual basis)

Foreign Travel Nil Nil

Total **Nil Nil**

Import in Foreign Exchange: Nil Nil

9. Earning in Foreign Exchange: (FOB value of Export) Nil Nil

10. Previous year figures are regrouped / rearranged wherever possible and necessary so as to conform to the current year's classification.

11. The company does not owe any sum to small scale industrial unit as defined in clause (j) of Section 3 of the Industrial (Development & Regulation) Act, 1951.
12. In the opinion of the board, the Current Assets, Loans and advances are approximately of the value stated if realized in the ordinary course of business.
13. Segment Reporting as required under Accounting Standard 17 is not applicable as Company's major activity being Transport Services and revenue from other activity such as software development and management of warehouses are less than 10% of total revenue.

14.

<u>Earning Per Share</u>	<u>F.Y.2007-2008</u>	<u>F.Y.2006-2007</u>
Net (Loss) after tax	(2,09,53,128)	(165,91,193)
Weighted average outstanding equity shares considered for basic & diluted EPS (Nos.)	50,10,000	23,36,667
Earning per share Basic & Diluted	(4.18)	(7.10)
Nominal value per share	10	10

15. The name of the company has changed from “ Infreight Technologies India Limited “ to “Infreight Logistics Solutions Limited “ with effect from 10th November 2006.
16. Loans & Advances includes a sum of Rs.20,56,642.52 towards advance payment made to transporters reconciliation of which is in progress.
17. Sundry Creditors for expenses included Rs.Nil payable to directors.

INFREIGHT LOGISTICS SOLUTIONS LIMITED
31st March, 2008

18. In accordance with Accounting Standard - 18 " Related Parties Disclosures " - issued by the Institute of Chartered Accountants of India , the details of Related Parties Transactions are given below:

Name of related parties and description of relationship

Holding Company	Sundaram Finance Limited
Fellow Subsidiaries	Sundaram BNP Paribas Assets Managemant Company Ltd. Sundaram BNP Paribas Trustee Company Ltd. Sundaram Finance Distribution Ltd. LGF Services Ltd. Sundaram Infotech Solutions Ltd Sundaram Business Services Ltd Professional Management Consultants Private Limited Sundaram BNP Paribas Home Finance Ltd
Associates Concerns	Sundaram BNP Paribas Mutual Fund
Key Management Personnel	Mr.Rahul Mehta , M D
Relative of Key Management Personnel	Mrs.Rina Mehta , Director

Details of transactions with above related parties for F.Y.2007-2008

<u>Particulars</u>	<u>Holding Co.</u>	<u>Fellow Subsidiaries</u>	<u>Key Management Personnel</u>	<u>Relative of Key Management Personnel</u>	<u>Total Related Parties</u>
Issue of Shares	4,41,00,000.00	-	-	-	4,41,00,000.00
Loan taken	2,00,00,000.00	70,00,000.00	-	-	2,70,00,000.00
Loan repaid		24,00,000.00	-	-	24,00,000.00
Loan as on 31st March 2008	2,00,00,000.00	46,00,000.00			2,46,00,000.00
Interest Paid	5,34,426.00	3,97,283.00	-	-	9,31,709.00
Car Loan Taken	13,30,000.00	-			13,30,000.00
Repayment of EMI	2,28,364.00	-			2,28,364.00
Car Loan as on 31st March 2008	11,61,226.00				11,61,226.00
Rent Expenses	4,20,000.00	-	-	-	4,20,000.00
Purchase of Computer	85,622.00	-			85,622.00
Directors Remuneartion	-	-	17,50,000.00	-	17,50,000.00
Balance at year end payable (Rent)	35,000.00	-	-	-	35,000.00
Pay Roll Process (SBS)	-	1,90,000.00	-	-	1,90,000.00
Balance at year end payable to SBS	-	15,000.00			15,000.00
Other Charges Paid on Fleet Card	88,000.00	-	-	-	88,000.00
SFL- Fleet Card used	3,62,13,802.91				3,62,13,802.91
Balance at year end payable (SFL Fleet Card)	25,57,173.00				25,57,173.00

INFREIGHT LOGISTICS SOLUTIONS LIMITED

19. (Quantitative Information for Y.E.31.3.2008)

	<u>FY 2007-2008</u> (Amount in Rs.)		<u>FY 2006-2007</u> (Amount in Rs.)	
<u>Opening Stock</u>				
	<u>Qty.</u>		<u>Qty.</u>	
VTS STEPP - I I	200	31,13,147	-	-
VTS VU-9101	4	41,000	4	41,000
GPS	4	20,000	4	20,000
Excel Power BA	1	6,385	1	6,385
PCBs	71	7,146	71	7,146
Push Button TEL	15	4,650	15	4,650
Sheet Metal Box	50	7,909	50	7,909
Total		32,00,237		87,090
<u>Purchases</u>				
<u>Class of Goods</u>				
	<u>Qty.</u>	<u>Value (Rs.)</u>	<u>Qty.</u>	<u>Value (Rs.)</u>
VTS STEPP - I I	-	Nil	280	40,03,160
Total		Nil		40,03,160
<u>Sales</u>				
	<u>Qty.</u>		<u>Qty.</u>	
VTS STEPP - I I	110	16,91,400	80	11,78,934
VTS VU-9101	4	488	-	-
GPS	4	204	-	-
Excel Power BA	1	58	-	-
PCBs	71	142	-	-
Push Button TEL	15	45	-	-
Sheet Metal Box	50	50	-	-
Total		16,92,387		11,78,934
<u>Closing Stock</u>				
	<u>Qty.</u>		<u>Qty.</u>	
VTS STEPP - I I	90	13,14,000	200	31,13,147
VTS VU-9101	-	-	4	41,000
GPS	-	-	4	20,000
Excel Power BA	-	-	1	6,385
PCBs	-	-	71	7,146
Push Button TEL	-	-	15	4,650
Sheet Metal Box	-	-	50	7,909
Total		13,14,000		32,00,237

FOR AND ON BEHALF OF THE BOARD
INFREIGHT LOGISTICS SOLUTIONS LIMITED

T.T.Srinivasaraghavan
Chairman

Rahul Mehta
Managaing Director

R.Ajithkumar
Secretary

Chennai.
Date: 16th May, 2008

INFREIGHT LOGISTICS SOLUTIONS LIMITED

V ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE FOR F.Y.2007-2008

a) <u>Registration details</u>		State code : 18
Registration No.:	U72900TN2000PLC063984	
Balance Sheet date :	31-03-2008	
b) <u>Capital raised during the year</u>		
Public issue		NIL
Rights issue		NIL
Bous issue		NIL
Private Placement		-
c) <u>Position of Mobilisation and Deployment of Funds</u>		<u>Rs. '000</u>
Total Liabilities		1,23,559.61
Total Assets		1,23,559.61
Sources of Funds		
Share Capital		50,100.00
Reserves & Surplus		NIL
Secured Loans		73,459.61
Unsecured Loans		NIL
Application of Funds		
Net Fixed Assets		4,334.48
Investments		-
Net Current Assets		66,618.96
Miscellaneous Expenditure		16.68
Accumalated Losses		52,589.51
d) <u>Perfomance of the Company</u>		
Turnover(including Other Income)		3,02,577.12
Total Expenditure		3,23,305.27
Profit before Tax		(20,513.13)
Profit after Tax		(20,953.13)
Earnings per share in Rs.		(4.18)
Dividend rate %		NIL
e) <u>Generic names of principal products of the Company</u>		
Item Code No. (ITC Code)	N.A.	
Product Description	N.A.	

FOR M/S. DHARMENDRA & CO.
Chartered Accountants

FOR INFREIGHT LOGISTICS SOLUTIONS LIMITED

(D.C. SHAH)
Proprietor

T.T.Srinivasaraghavan
Chairman

Rahul Mehta
Managing Director

R.Ajithkumar
Secretary

M.NO : 40234
CHENNAI
Date: 16thMay,2008

CHENNAI
Date: 16thMay,2008
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INFREIGHT LOGISTICS SOLUTIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008.

	F. Y. 2007-2008		F. Y. 2006-2007	
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit		(2,09,53,128.66)		(1,65,91,192.72)
Adjustment for:				
Depreciation	10,47,387.00		2,42,242.28	
Provisions for Fring Benefit Tax	4,40,000.00		2,32,320.00	
Interest Expenses (Including Finance Expenses)	63,71,115.35		15,00,713.66	
Dividend Income	-		(1,99,115.48)	
Profit on sale of Investments	-		(49,116.18)	
Preliminary Expenses	2,381.00		2,381.74	
Loss on Investments	85,316.84		-	
	<u>79,46,200.19</u>		<u>17,29,426.02</u>	
Operating Profit before Working Capital Changes		(1,30,06,928.47)		(1,48,61,766.70)
Adjustment for:				
Tarde and Other Receivables	(6,46,16,999.22)		(2,43,72,548.17)	
Inventories	18,86,237.00		(31,13,147.00)	
Trade Payables and Other Liabilities	2,33,97,618.43		1,37,41,180.72	
Loans & Advances & Other Current Assets	(62,88,034.87)		(35,81,644.50)	
	<u>(4,56,21,178.66)</u>		<u>(1,73,26,158.95)</u>	
Cash Generated from Operations		(5,86,28,107.13)		(3,21,87,925.65)
Direct Taxes Paid (FBT)	(5,61,606.00)		(1,63,374.00)	
	<u>(5,61,606.00)</u>		<u>(1,63,374.00)</u>	
Cash Generated form Operating Activities	A)	(5,91,89,713.13)		(3,23,51,299.65)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Asstes	(44,35,731.00)		(9,19,123.82)	
Purchase of Investments	-		(1,26,57,635.42)	
Sale of Investments	1,00,72,318.58		25,00,000.00	
Short Term Capital Gain	-		49,116.18	
Dividend Received	-		1,99,115.48	
Net Cash used in Investing Activities	B)	56,36,587.58		(1,08,28,527.58)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds From Issue of Share Capital	-		4,01,00,000.00	
Repayment of Short Term Borrowings	-		(85,00,000.00)	
Financial expenses paid	(63,71,115.35)		(15,00,713.66)	
Proceeds From Working Capital Loan/Intercorporate Loan	5,88,01,564.49		1,46,58,048.00	
Net Cash flow from Financing Activities	C)	5,24,30,449.14		4,47,57,334.34
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)		(11,22,676.41)		15,77,507.11
Cash and cash equivalents (Opening balances)		28,69,004.05		12,91,496.94
Cash and cash equivalents (Closing balances)		<u>17,46,327.64</u>		<u>28,69,004.05</u>
COMPONENTS OF CASH & CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Account with Banks		11,85,614.89		27,51,731.78
Cash on Hand		5,60,712.75		1,17,272.27
		<u>17,46,327.64</u>		<u>28,69,004.05</u>

As per our report attached to the Balance Sheet

FOR DHARMENDRA & CO.
 CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD
 INFREIGHT LOGISTICS SOLUTIONS LIMITED

DHARMENDRA C.SHAH
 Proprietor
 M.NO.40234

T.T.Srinivasaraghavan Rahul Mehta
 Chairman Managing Director

R.Ajithkumar
 Secretary

CHENNAI
 Date: 16thMay,2008

CHENNAI
 Date: 16thMay,2008