



## Annual Report 2009-10



Transport Corporation of India Limited

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Transport Corporation of India Limited

# Corporate Information

## Board Of Directors

S. M. Datta  
Chairman

D. P. Agarwal  
Vice Chairman & Managing Director

S. N. Agarwal  
Director

K. S. Mehta  
Director

O. Swaminatha Reddy  
Director

R. V. Raghavan  
Director

Vineet Agarwal  
Executive Director

Chander Agarwal  
Executive Director

M. P. Sarawagi  
Director

K. Prabhakar  
Whole Time Director

Group CFO & Company Secretary  
A. K. Bansal

Statutory Auditor  
R.S. Agarwala & Company  
Chartered Accountants

Bankers  
State Bank of India Limited  
HDFC Bank Limited  
HSBC (Hongkong & Shanghai Banking Corporation Limited)  
Citi Bank N.A.  
Standard Chartered Bank

## Corporate Office

TCI House,  
69, Institutional Area,  
Sector - 32, Gurgaon - 122207,  
Harayana (India)  
Phone : +91 124 2381 603 to 607  
Fax : +91 124 2381 611  
E-mail : corporate@tcil.com  
Internet : http://www.tcil.com

## Registered Office

Flat Nos. 306 & 307,  
1-8-271 to 273, 3rd Floor,  
Ashoka Bhoopal Chambers,  
S. P. Road, Secunderabad - 500003. (India)  
Phone : +91 40 2784 0104  
Fax : +91 40 2784 0163  
E-mail : secretarial@tcil.com

## Registrar & Share Transfer Agent

M/s Abhipra Capital Limited  
Ground Floor, Abhipra Complex  
Dilkhush Industrial Area,  
A-387, G. T. Karnal Road,  
Azadpur, Delhi - 110033. (India)  
Phone : +91 11 4239 0708/0725, 4239 0909  
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Transport Corporation of India Limited

## Leading all the way

52 years of experience, a workforce of 6500, 1200 branch offices, presence in four continents, world class resources, savoir-faire of industry experts, innovation in systems and processes, customer-centric approach, and the zeal to learn come together to move TCI to the leading position in the logistics industry.

The five decades of diligence and meticulousness have made the Group emerge as India's foremost single window supply chain solutions provider - the Leaders in Logistics.

### The Leadership Vision

TCI aims to be a customer-oriented, multi-technology and multi-specialist transport system in Indian and International markets, with a proven commitment to excellence in every facet of activity and pursuit of value-based policies to satisfy the aspirations of society, customers, vendors, employees, shareholders and the transport industry.

### Values to Drive Leadership

TCI esteems and abides by CORE: Customer Focus, Ownership, Responsiveness and Empathy- the values that accelerate the Company's growth. The organization makes sure that all its work, ethics and beliefs revolve around these CORE values.

TCI aims to build mutually rewarding relationships which create value for the customers. It also ensures there is trust and transparency in the business.

TCI as an organization firmly believes that customer needs are pivotal and has been constantly expanding and innovating its services. Employees at TCI strongly believe this and work with the passion of an entrepreneur with a great sense of pride and self motivation. Employees are encouraged to incorporate emotional intelligence into their day to day operations and create an enabling work environment ruled by respect for one and all.

## The leadership thought VCMD's Message

Dear Shareholders,

Since October 2009, Indian economy has been showing signs of revival. The current year, hopefully, shall present a positive picture with the macro-environment changing considerably. Stability is evident in the financial markets and in business sentiments.

In the year under review, Group TCI operated efficiently and responded optimistically. TCI was able to retain its leading position in the logistics industry through diligence, commitment and resolution of its employees. Besides this, the management insight and practices were instrumental in ensuring that the economic downturn did not affect business operations and rather helped in building an even more stronger organisation.

All our business divisions have undergone resilience novelty and adaptability. Each division has brought in newer and better ways of operations.

TCI Freight expanded its Over Dimensional Cargo capabilities by adding more axles and heavy duty prime movers.

TCI XPS has introduced the Priority Service- the assured Door-to-Door day definite services for both commercial and non commercial shipments to metro and non metro locations backed by a Money Back Guarantee Offer.

TCI Global signed a contract with China Post for handling their shipments to India. The division has also forayed into small break bulk shipments. The operations of TCI Global in Thailand were further strengthened through a warehouse with a Daily Line Feeding activity for an auto major.

At TCI Supply Chain Solutions, the year was marked by phenomenal growth in revenues and profitability with the maturing of several large lead logistics contracts.

New collaborations were also seen in the Financial Year. TCI signed a joint venture with CONCOR (the country's largest rail container cargo mover). The core competencies of TCI & CONCOR in road and rail merged effectively into ILSPL (Infinite Logistics Solutions Private Limited) will provide the company an ideal platform to provide a national bulk multimodal logistics solution.

TCI has also initiated the process for demerger of its Real Estate & Warehousing division to form TCI Developers Limited (TDL), the latest addition to the Group. We firmly believe that TDL has immense potential in turning our existing real estate into commercial ventures and accelerate our vision to create 'middle' logistics infrastructure like multi modal logistics parks, truck terminals, free-trade warehousing zones etc.

The financial year was a rewarding year for the company. The full year Profit After Tax for the Standalone entity has increased by 51.77% to Rs. 429.8 million from Rs. 283.2 million while the Net Sales/Income from Operations during 2009-10 has grown by 11.51% to Rs. 14546.1 million against Rs. 13044.2 million.

The company's consolidated revenues increased by 12.25% from Rs. 13582.8 million to Rs. 15247.2 million and consolidated PAT was reported at Rs. 412.7 million.

The overall growth in each of TCI's divisions has been promising and the business volumes and profitability have been in sync with our expectations.

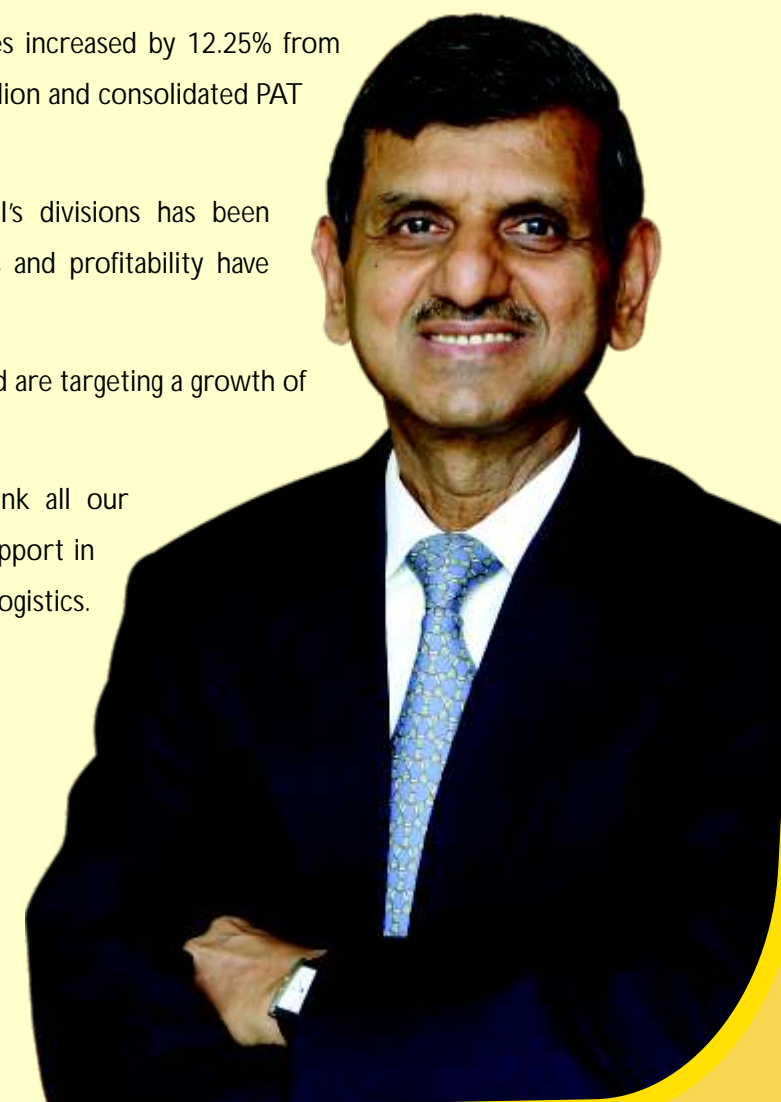
We aim to sustain the momentum and are targeting a growth of 15-20% in the next fiscal.

I also take this opportunity to thank all our share holders for their unflinching support in making your company a true leader in logistics.



D P Agarwal

Vice Chairman &  
Managing Director





## Board of Directors



Mr S M Datta  
Chairman

Mr S M Datta has more than 50 years of experience in the engineering and technology sector. Previously he has served as the Chairman of Hindustan Lever and all Unilever Group Companies in India and Nepal during 1990-1996. Mr Datta inter alia holds various positions in many capacities including as Director on the Boards of Castrol India, Phillips Electronics India, IL&FS Investment Managers, BOC India and Zodiac Clothing Company. A Chartered Engineer, Mr Datta is also associated with various management and research institutes both in India and abroad.



Mr D P Agarwal  
VC & MD,  
Executive Director

Mr D P Agarwal is the Vice-Chairman and Managing Director of TCI. Mr Agarwal has been associated with the transport industry for more than 45 years. He has been contributing in transforming the unorganised logistics sector into an organised one. Mr Agarwal holds the Directorships of Boruka Power Corporation and Jai Bharat Maruti Ltd. Mr Agarwal is also associated with various Chambers of Commerce including CII, FICCI and PHDCCI. He also takes active participation in many social and philanthropic activities for the common good.



Mr S N Agarwal  
Non-Executive Director

Mr S N Agarwal has over 39 years of rich experience in various industries including logistics. Mr Agarwal also serves as the Chairman of Boruka Gasses Ltd and Boruka Power Corporation Ltd besides being on the Boards of Kirloskar Electric Co. Ltd. and Iruppa Power Pvt. Ltd. He is also a member of the governing body of IIM Bangalore. A magna cum laude graduate in management from Davenport College of Business, USA, Mr Agarwal also holds an Advance Management Program (AMP) certificate.



Mr K S Mehta  
Non-Executive  
Independent Director

Mr K S Mehta is a renowned Chartered Accountant in practice. He has approximately 39 years of experience in corporate finance and restructuring, project financing, business valuations and tax planning. Mr Mehta is the board member of Radico Khaitan, Kothari Industrial Management Company, Blue Coast Hotels & Resorts, Ayurvet Ltd, Consafe McNulty JV Ltd and Consafe Engineering Services of UK.



Mr O S Reddy  
Non-Executive  
Independent Director

Mr O S Reddy has over 57 years of experience as a financial and management consultant. He is currently the Chairman of the governing body the Indian Institute of Economics, Hyderabad. Mr Reddy is associated with the Boards of Sagar Cements, TCI Finance, Sagar Power, Surana Telecom among others. He is also a member of the management committee of Federation of A. P. Chamber of Commerce & Industry.



Mr R V Raghavan  
Non-Executive  
Independent Director

Mr R V Raghavan is a professional manager, with 43 years of varied and senior-level experience in management in India and abroad. A Chartered Accountant by background, his career, inter alia, in Philips, Glaxo and Voltas, of which he was a main Board Director and Chairman of its publicly traded associates, Wandleside National Conductors, spans over 30 years of exposure to both finance function and general management of operations.



Mr Vineet Agarwal  
Executive Director

Mr Vineet Agarwal is the Executive Director of TCI. He joined the Company in January 1996 and has held various finance and management roles within the Company. In addition to these responsibilities, Mr Agarwal is the Director with Transcorp International and Chairman in Transystem Logistics International. He has led the Company into high growth segments like Third Party Logistics and Express Distribution Services.



Mr Chander Agarwal  
Executive Director

Mr Chander Agarwal is the Executive Director of TCI. Mr Agarwal has held various finance and management roles in other group companies like TCI Seaways, TCI XPS etc. His hands-on experience with Transfreight USA, a 3PL specialising in 'lean logistics' for Toyota Motor Vehicles, USA, has given him unmatched knowledge of the Supply Chain Management. Currently he is spearheading Group TCI's International expansion.



Mr M P Sarawagi  
Non-Executive Director

Mr M P Sarawagi has been associated with the Company for the past 46 years. He possesses rich experience in the legal and commercial aspects of the transport industry. Mr Sarawagi also serves the Boards of Boruka Finance Corporation of India, Boruka Investments, Orissa Tyres, Calcutta Goods Transport Association, All India Motor Union Congress and several other cultural associations. He is a Graduate in Law from Calcutta University.



Mr K Prabhakar  
Wholetime Director

Mr Prabhakar joined TCI in 1978 and is currently a Whole Time Director with the company. Prior to this, he was heading TCI XPS, the Express Delivery division of TCI. Mr Prabhakar's business acumen, leadership skills and strategising capabilities helped TCI XPS to achieve new heights. During his span of three decades in the company, Mr Prabhakar has relentlessly worked for the betterment of every aspect of TCI's business operations.

## Key Financial Ratios (Standalone)

Particulars	(Rs in Mn)				
	2009-10	2008-09	2007-08	2006-07	2005-06
<b>OPERATIONAL</b>					
Total Income	14,546.1	13,044.2	12,029.0	10,895.7	9,139.8
Profit before interest, depreciation, tax & exceptional item	1,139.5	990.0	807.9	742.7	627.5
Interest (net)	195.6	240.8	168.3	103.4	71.3
Depreciation	267.6	259.8	207.8	199.1	185.2
Profit before tax & exceptional item	676.3	489.4	431.8	440.2	371.0
Exceptional Item	29.2	40.0	-	-	-
Profit before tax	647.1	449.4	431.8	440.2	371.0
Taxes					
- Current	203.4	147.2	109.9	82.3	46.2
- Deffered	9.2	0.2	18.7	36.6	43.6
- FBT	-	18.6	18.5	15.6	12.9
- Taxes for earlier years	4.7	0.2	0.4	-	0.2
Net profit	429.8	283.2	284.3	305.7	268.1
Cash profit	706.6	543.2	510.8	541.4	496.9
Dividend Per Share (Rs.)*	0.80	0.60	0.60	0.60	2.50
Earning Per Share*	5.93	3.91	3.92	4.53	19.78
<b>FINANCIAL</b>					
Gross Block	4,417.8	4,132.3	3,901.3	3,551.8	2,608.8
Net Block	3,092.9	2,982.8	2,875.9	2,659.9	1,874.3
Net Worth	3,084.6	2,714.0	2,484.3	1,326.5	1,067.8
Total Debts	2,716.3	2,329.0	2,290.3	2,185.8	1,130.7
Avg Capital Employed	5,710.7	5,189.5	4,417.0	3,101.2	2,110.9
Return on Net Worth	13.93%	10.43%	11.44%	23.04%	25.13%
Return on Capital Employed	14.76%	14.07%	13.58%	17.53%	20.96%
Debt Equity Ratio(Times)	0.88	0.86	0.92	1.65	1.06
Interest Cover (Times)	5.83	4.11	4.80	7.18	8.80
Book value Per share (Rs)*	42.54	37.43	34.27	19.65	79.08
Share Capital	145.06	145.01	145.01	135.01	135.01

\*Shares of Rs. 10/- each had been sub-divided into shares of Rs. 2/- w.e.f. 12th December 2006 and therefore these figures are not comparable with the figures for the years prior to FY 2006-07



## Management Discussion and Analysis “Empowered to be Leader”

### Industry Overview

Healthy economic growth in India is increasingly supported by robust industrial growth. One of the relatively lesser known but significant sectors that supports almost all industrial activities - the logistics sector - is also witnessing this growth as a follow through. The annual logistics cost in India is estimated to be 14% of the GDP, which translates into USD 140 billion assuming the GDP of India to be slightly over USD 1 trillion.

### Big Hurdles

In spite of the growth, Logistics is still a budding and fragmented industry in India. It is estimated that while outsourced logistics accounts for 54% of total logistics spending in India, organized players have only 10% of the pie. In road transportation, which accounts for the biggest portion (36%) of logistics spending, 74% of operators are small-time players owning a single vehicle. In outsourced warehousing, 92% of players are from the unorganized sector

A lack of adequate infrastructure and complex taxation and regulations are big problems. Movement of cargo on roads has several loopholes. National highways form only 2% of India's road network, but they handle more than 40% of road freight traffic. This inevitably leads to traffic jams. To add to this the Indian taxation system is quite complex. In order to avoid multiple taxation, companies typically have warehousing operations in every state. The result is a large number of small warehouses across the country which are lacking in the latest warehousing processes and technologies.

Source: Can India's Logistics Industry Deliver a Better Model for Transporting Goods? Published: September 10, 2009 in India Knowledge@Wharton school on line journals

### Opportunities ahead

Despite the limitations, industry players visualise a strong potential in the sector. Several initiatives and projects are underway to boost development of roads while the complex Central Sales Tax is expected to be phased out in coming years to welcome GST. The emergence of India as a manufacturing hub, growth of the organized retail industry, increased domestic consumption, and the global best practices of multinationals are all expected to boost the logistics industry. The following initiatives will also trigger the growth of the industry:

### Impact of 3PLs

Third party logistics (3PL) providers form a major chunk of the country's logistics sector and play an important role in spurring the growth of the sector. They offer tailor-made and innovative services for specific product categories as per customer requirements. Since timely delivery of goods is vital in the logistics business, service providers make use of highly modernised technologies. Consolidation of the



fragmented services is another area in which 3PL providers have excelled, thereby adding value to customer solutions. 3PL providers have been able to tackle challenges and overcome the same by catering to customer demands, by delivering right products at the right time to the right place at the right cost.

### GST

The introduction of Goods and Services Tax (GST) is a significant step towards the betterment of the industry. Since GST is expected to standardize rates across the nation, considerable consolidation is expected in the warehousing segment as companies will be able to manage bigger warehouses at few strategic locations.

### Multimodal Logistics Park

The country's escalating global business has attributed to the requirement of establishing logistics parks infrastructure. In view of this, the Indian exporting fraternity is looking forward to joining hands with logistics service providers for seamless and cost effective transportation of their cargo through multimodal logistics parks.

The advantages of Multimodal Logistics Parks are:

- MLPs will bring all services under one roof
- Unwanted steps and costs in the process can be eliminated
- These will trigger efficiency. Good connectivity, mechanized truck and rake handling mechanized inventory handling quick change between transport modes and single window documentation make MLP's highly efficient as compared to traditional modes of cargo

### Warehousing

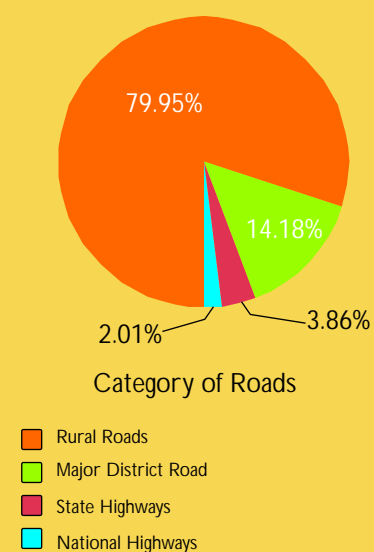
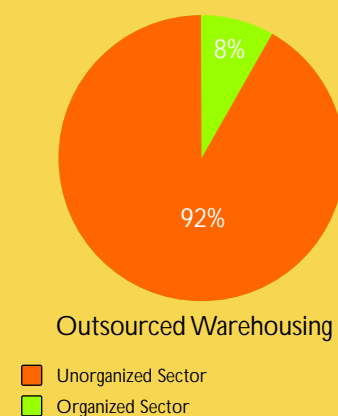
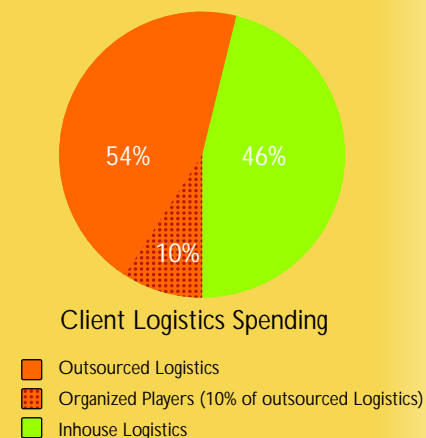
The modern warehouses are moving beyond traditional stocking and loading to other value added services like packaging, labeling, bundling and cross - docking. This business is growing at a fast pace and since warehousing accounts for about 20% Indian logistics industry, the growth will have a positive impact.

### IT penetration

IT is a major growth driver of this sector. Currently, IT solutions are being used for all supply chain management functions. Most of the ports use Electronic Data Interchange (EDI) facility for electronic transmission of data. This has led to reduced emphasis on manpower, thereby further optimising operational costs. Innovative logistics solutions have enabled conventional forwarders to use newer and improved methods of transportation for their services resulting in customer retention as well as customer acquisition.

### An overview of traditional Infrastructure which impacts Logistics

According to the Government of India, investment in the infrastructure sector in India is all set to grow radically. Goldman Sachs, the investment banking company has forecasted that India's infrastructure sector would be in need of investments to the tune of US\$ 1.7 trillion in the next 10 years. It also added that such investment would come more from the domestic market than overseas.



### Road

India has the world's second largest road network, aggregating over 3.34 million kilometers (km). According to the Planning Commission, the road freight industry will be growing at a compound annual growth rate (CAGR) of 9.9% from 2007-08 to 2011-12. According to Crisil Research's annual review of the roads and highways sector published in August 2009, the potential investment in the sector is expected to be to the tune of US\$ 107 billion between 2009-10 and 2013-14.

### Ports

The Indian coastline is dotted with 12 major ports and 187 minor ports. According to the Indian Ports Association, these major ports together handled a total of 560.96 million tonnes (MT) of cargo in 2009-10. There are 27 shipyards in the country, six under central public sector, two under state governments and 19 under private sector undertakings.

### Railways

The US\$ 18 billion Indian Railways industry is one of the largest developed networks in the world. The premier transport and logistics organisation of the country is also the largest rail network in Asia and the world's second largest under single management. It is one of the few mixed traffic systems in the world, carrying both passengers and freight that generates a cash surplus. The Indian Railways is the backbone of the Indian transport system. Its increasing freight business is a good reflection of the recovery of the Indian economy. The Railways moved 727.6 million tonnes (MT) of revenue earning freight in November 2009, registering 9.22% growth over November 2007.

Source: Rail and Road - mapsoftheworld.com, world largest rail and road network





## Empowered to be Leader

The evolving trio of STATURE, EXPERTISE and GROWTH of the Group has invested TCI with the power to be the industry leader. The presence of more than 50 years in the industry, the world class assets and international collaborations are the constituents of TCI's colossal STATURE; whereas the rich experience developed over five decades clubbed with the know-how of the TCI team consisting of industry stalwarts creates EXPERTISE - the extra-edge that has propelled TCI to the top. And when uninterrupted GROWTH of the Group observed at the end of each financial year joins the duo, the trio becomes complete.

## The Leadership Drivers

### 1. Stature

In 1958, TCI was setup as a "One Man, One Truck, One Office" enterprise. With the legacy of five long decades and discerning industry presence, TCI is now not only listed on both the National Stock Exchange and the Bombay Stock Exchange, but also propels 2.5% movement of India's GDP by value of cargo and extends across 99.45% of India's GDP of region coverage.

Today the assets of the TCI group comprise 1,200 fully computerized offices across the country, 6,500 employees and 20,000 strong outsourced team in India and overseas, 6 cargo ships, 7,000 trucks and trailers under operation and 8.5 million sq ft of warehousing space. Every year the Group's vehicles traverse more than 430 million kilometers delivering satisfaction to all its customers.

Having branches all over the country, TCI reaches out to even the remotest corners of India. Internationally, TCI's presence is experienced through its collaborations and subsidiaries in Asia (China, Hong Kong, Singapore, Indonesia & Thailand).

The pillars of strength at TCI are its professional set up and management practices which have been constantly evolving for the past five decades. The company believes that the core values of corporate governance, inter-alia, include conducting business in accordance with the highest legal and ethical standards which involve a great deal of transparency, professionalism and accountability.

TCI's Stature coupled with Expertise and Growth have led TCI to accomplish a robust and strong footing in the industry and thereby be acclaimed as the



### 2. Expertise

The marriage between rich experience and profound know-how accelerates TCI's winning performance. Our expertise is a composition of deep understanding and innovation where industry knowledge is juxtaposed with new ideas.

The senior management is invested with a wealth of experience and represents the core values of the company. Being highly acclaimed they also represent the industry at various commerce and industry led forums, whereas the young master minds contribute novelty to the Group.

And adding fuel to the rich gamut of experience and talent, the meticulousness and diligence carries Team TCI to the next level.



### A. Multi-skilled people

"Every individual has unlimited potential." This is a strong belief of the business house where human resources form its backbone. TCI believes in engaging, nurturing and developing human resource, offering ample opportunities to its employees for learning and growth in formal as well as informal setting.

Employees are also recruited at entry level positions, given learning and career development opportunities and are encouraged to maintain balance between professional and personal life. Here, mistakes are often considered as learning lessons rather than penalizing tools. In the recent past, TCI has taken a number of HR initiatives for the welfare of the employees, building their capabilities and competencies, enhancing their competitive edge and increasing the employees' engagement level with the organisation.

- Organizing free medical check-up and radiology camps
- Out-bound programs for team leaders for improving team effectiveness and enhancing strategic thinking
- Sports participation in Cricket tournaments & Marathons for recreation to inculcate the spirit of sportsmanship enhancing sport culture, camaraderie, bonding and corporate interaction
- Blood donation camps for inculcating social responsibilities among employees
- Online accessibility of medical insurance through company website
- Establishment of knowledge forum to share knowledge and experience

### B. Technology

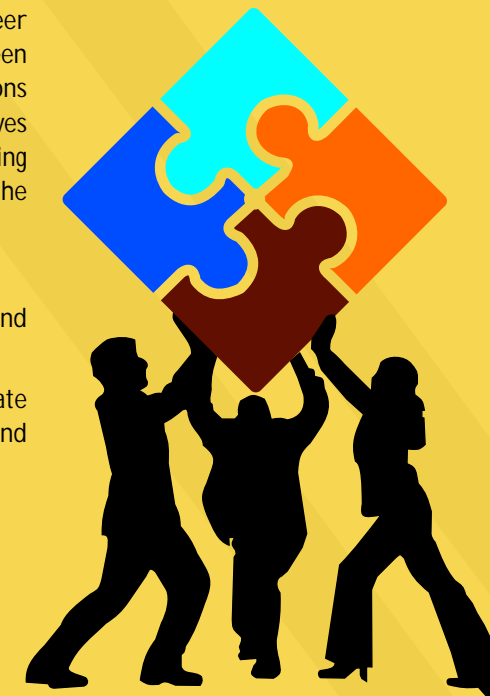
TCI's focus is on bringing the operations of the Group on a single platform in a user-friendly cohesive systems. This emphasis is continually upgraded with the changing times.

In addition to the existing systems of online tracking and e-proof of delivery, integrated back-end systems and processes to ensure that the Proof of Delivery with the signature of the consignee after delivery is sent by hard-copy, e-mail or fax to the consignor, TCI has implemented Business Intelligence tool for generating different, unique and decision-making reports to strengthen the process. All the business units of the Group work online on web-based software on a 24x7x365 basis. Moreover all the processes involved in the functioning of the units are automated. The in-house developed ERP caters to operation & finance while PeopleSoft is implemented for HRMS & payroll management.

### C. Innovation

Since its inception, TCI has been looking for newer and better ways of improving its systems and incorporating the latest technologies. Vehicle Design Innovation (VDI) and Indian Road Freight Index are two such innovations at TCI. VDI is involved in redesigning of fleet as per the customers' requirements and is a vital move to enable optimum utilization of resources. The Indian Road Freight Index is an initiative to bring in greater transparency & knowledge into this sector in India.

In an initiative taken as an innovative thought leader, TCI along with IIM-Calcutta conducted a study on 'Operational Efficiency of National Highways for Freight Transportation in India.' The TCI-IIMC joint study report highlighted the problems faced by the transportation sector and suggested recommendations for transporters and the Government as to how to mitigate the problems and contribute to the economic growth of India.





### 3. Growth: Finance Review

In spite of the Logistics Industry showing revival only in the later half of 2009, TCI was able to retain its growth through good management practices, effective cost control measures and value additions in the service portfolio. We are committed to grow our business and increase our customers' confidence in us.

#### Performance, 2009-10

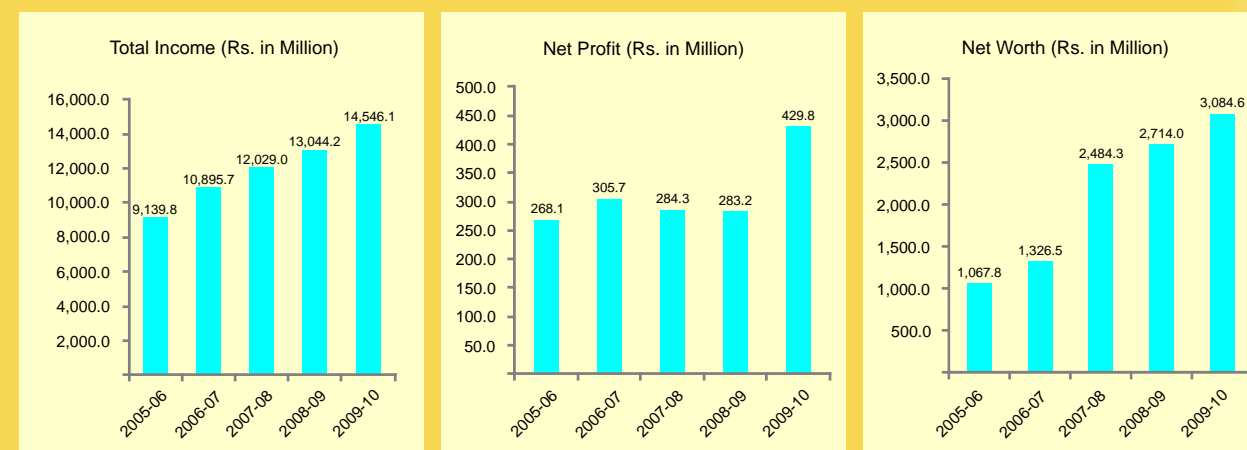
Year	2009-10 (Rs Million)	2008-09 (Rs Million)	% change
Revenue	14506.63	12,979.50	11.77%
EBIDTA	1139.55	989.96	15.11%
PBT (after exceptional items)*	647.05*	449.45*	43.96%
PAT	429.81	283.19	51.78%
Cash profit	706.61	543.20	30.08%
EPS	5.93	3.91	51.67%
RONW (%)	13.93	10.43	-
ROCE (%)	14.76	14.07	-

#### Margins

The EBIDTA margin increased by 24 basis points to 7.83% while the net profit margin increased by 78 basis points, despite under exceptional item a sum of Rs. 29 million was made on account of full and final settlement of derivative transactions. Going ahead, the operating margins are expected to strengthen on the back of an increasing share of higher-margin businesses like XPS, SCS and Seaways. Revenues increased 11.77% and EBIDTA increased 15.11% following operating and other costs optimisation priorities, which resulted in a declining trend of operating costs, in a challenging year. Return on net worth and capital employed has also improved significantly over last year.

#### Revenue analysis

The Company's revenue outperformed India's GDP growth and increased 11.77% to Rs. 14506.60 million in 2009-10 from Rs. 12,979.50 million in 2008-09, following enhanced marketing in India and abroad across existing and new clients as well as the robust growth of Supply Chain Solutions (SCS) and Express (XPS) divisions.



### Cost analysis

#### Total Cost

Total cost (excluding depreciation, interest and tax) increased 11.22% from Rs. 12054.26 million in 2008-09 to Rs. 13406.63 million in 2009-10 owing to increased freight, clearing and forwarding charges, stores and spares parts consumed among others but in line with business growth. This increase was however lower than the revenue increase for the year under review.

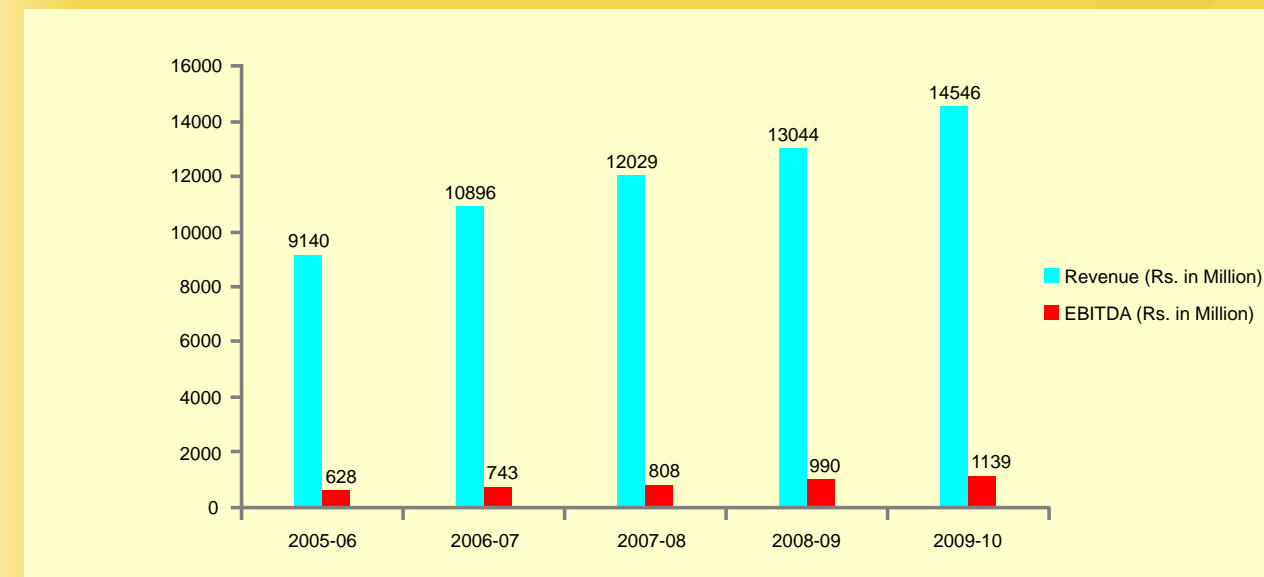
#### Interest

On account of an improvement in general economy and series of measures taken by RBI to ease out the liquidity position resulting in a sharp decline in interest rates following Interest outflow decreased by 18.71%. As a result, interest cover increased from 4.11% in 2008-09 to 5.83% in 2009-10, interest cost as a proportion of revenues decreased from 1.85% in 2008-09 to 1.34% in 2009-10 and also average debt cost decreased significantly from 10.44% in 2008-09 to 7.75% in 2009-10. The Company substituted high-cost working capital limits with short-term instruments, like short term/working capital demand loan and non-convertible debentures with low coupon rates of around 5-6%, the benefits of which has been reflected in 2009-10.

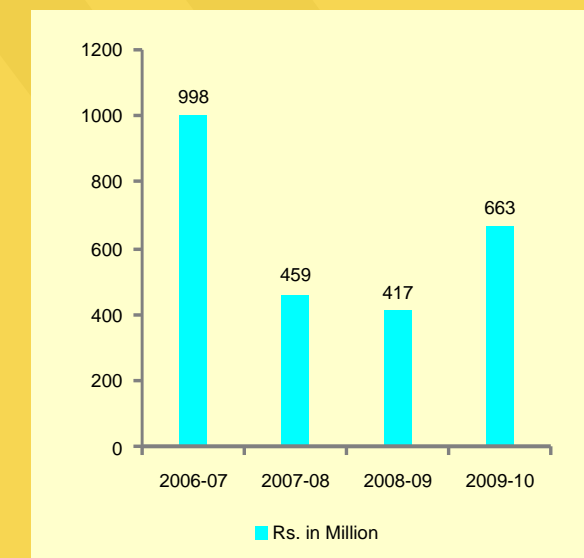
#### Capex

The Company has incurred a capital expenditure of Rs. 663 million during the year. This was mainly spent on purchase of land, construction of warehouse and hub centers, acquisition of trucks & axles and IT upgradation.

#### TCIL Standalone financials for Five years



#### Capex in the last four year



#### Investments

The Company's investments increased 92.34% from Rs. 185 million in 2008-09 to Rs. 357 million in 2009-10, owing to investments in joint ventures, subsidiaries – domestic & overseas and partnership firms.

#### Return

TCI share v/s BSE sensx: TCI's share price as on 1st April, 2009 was Rs. 34.25/ share and shot up to Rs. 101.90/share on 31st March, 2010, giving a return of 298%. Whereas BSE Sensex was at 9900 on 1st April, 2009 and increased to 17527 on 31st March, 2010, giving a return @ 77%.

## The Leadership Mix

### **TCI Freight**

Surface Transport reaches the next level with TCI Freight, a suitable match for cargo of any dimension, or of any product segment. No wonder TCI Freight, the biggest unit of Group TCI is India's major surface transport provider.

### **TCI XPS** EXPRESS DISTRIBUTION SPECIALISTS Air | Courier | Surface

This TCI unit enjoys the acknowledgement as the foremost door-to-door Express Distribution Specialist, when it comes to reaching the corners of India. TCI XPS offers door-to-door pick up and delivery at 13,000 locations across the country.

### **TCI Supply Chain Solutions**

Right from conceptualization to implementation, this division delivers a sustainable solution as a Lead Logistics Provider with services that cover designing supply chain for an all new company, re-engineering for an existing one and putting the designs into practice.

### **TCI Global** GLOBAL LOGISTICS

The world is home to TCI Global. Setting up offices in Singapore, Indonesia, Thailand, Hong Kong, China, Germany, Mauritius and the Netherlands, TCI Global established TCI as a global SCM organization by providing seamless freight forwarding, custom clearance and full

### **TCI Seaways**

As a sea cargo division, TCI Seaways' services encompass transporting container and bulk cargo from Ports on the East Coast of the country and Far East destinations.

## **TCI Freight**

### Stature

The largest division of Group TCI is the nation's leading surface transport organization. With its extensive and strategically located branch network and trained manpower, TCI Freight provides an entire range of transportation solutions for Full Truck Load / Small Parcel / Project & Over Dimensional Cargo and Rail.

The division enjoys:

- 642-strong office network and 25 hubs with an average space of 25,000 sq. ft. with 2182 strong workforce
- Extensive fleet ranging from hydraulic axles, multi-axles and prime movers to all kinds of transportation
- A robust rail network covering VPH, SLR, VPU for full rake and leased out special parcel trains
- Computerized and interconnected offices supported by GPS-enabled vehicles
- 24x7 online track-and-trace system and a dedicated customer care centre

Every year the division's vehicles traverse more than 293 million kilometers delivering satisfaction to all its customers.

TCI Freight is ISO 9001:2008 certified for the quality of service it offers to the customers.

### Expertise

The single-window surface transportation service for general, heavy and volumetric cargo, powerful office and rail network, extensive fleet and efficient hub-and-spoke model have equipped TCI Freight well to be ahead in the race.

In the FY 2009-10 the new initiatives and service were taken up by the division to intensify its existing strengths.

- Commencement of Point to Point Service for Small Parcel
- JV with CONCOR, India's largest rail cargo mover for container transportation via rail
- A modern fleet of Goldhofer Hydraulic axles to focus on power and infrastructure sectors
- New Hydraulic Axles enabling the company to move single ODC package upto 500 tons

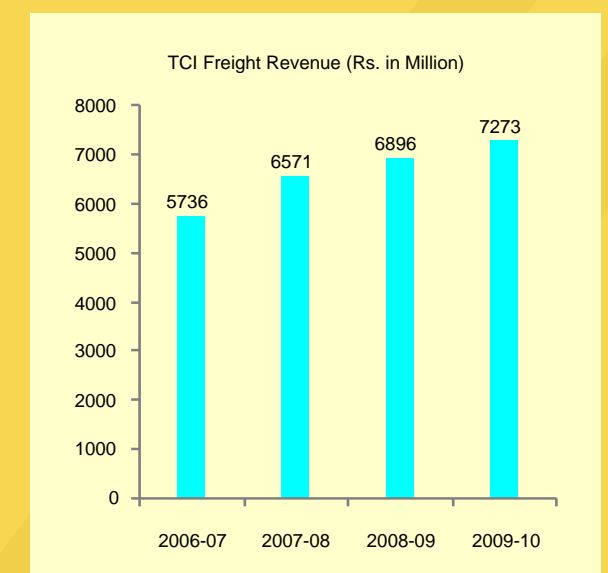


### Growth

Overview of the FY 2009-2010 revealed revenue growth of approximately 5.88% more as compared to last fiscal while the profit after tax was up by 17.83%. The results overall for fiscal was encouraging.

### Outlook

The division expects to grow at 10-12% with a focus on long distance transport via rail owing to cost competitiveness, quicker turnaround and timeliness.



## Stature

TCI XPS is India's foremost door-to-door Express Distribution Specialist. The division enjoys:

- A network of 550 branches and 2300 strong workforce
- A strong fleet of 1930 vehicles, which helps the division in managing the wide array of domestic as well as global delivery requirements of the industry
- 12 strategically located hubs with an average space of 15,000 sq. ft.
- A large fully containerized fleet of Express, feeder and service en route vehicles

With its extensive network, TCI XPS ensures delivery to 13,000 locations in India and 203 countries abroad and with the warehousing space it ensures well connected routes for timely and cost effective cargo consolidation and transportation.

TCI XPS has also inducted CNG fitted LCVs for in city deliveries in an endeavour to promote a cleaner environment. The division is ISO 9001: 2008 certified for the quality of service it provides to a large customer base from sectors like automobile, pharma, electronics, computer peripherals, chemicals, consumer goods etc.

## Expertise

The proficiency of TCI XPS lies in:

- Customer Relationship Management
- Key Account Management
- Value Added Services
- Diverse Customer Profile
- Large Company owned Network & Reach

TCI XPS offers to its customers a guaranteed time definite delivery for their critical shipment through a new scheme called - 'Priority Service'.

Priority Service is an assured Door-to-Door day definite services for commercial & non-commercial shipments to metro and non-metro locations which is also backed by Money Back Guarantee scheme. The service is available from 9 cities to 150 Locations across India.



The business unit has also launched the E-Gifts Product to deliver cakes, chocolates, flowers etc, that can be booked from anywhere in the world for delivery in 9 major cities in India.

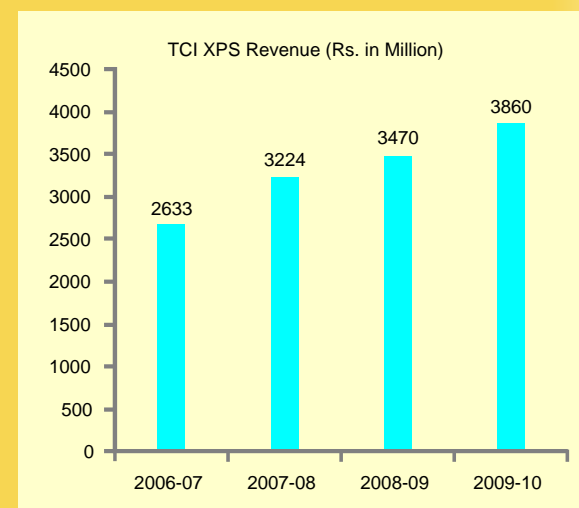
In order to reduce damages and enhance time management in loading and unloading, automated handling equipments at hubs were installed. In addition to it, GPS enabled vehicles have been deployed, offering online track & trace of shipments facility and providing e-proof of deliveries.

## Growth

The growth of the division in the last fiscal has been 11.3% in terms of revenue and Profit After Tax was up by 49% which was again another success story for TCI XPS.

## Outlook

TCI XPS looks forward to growing at the rate of 15-20 % in the next few years and will be focusing on high growth industries for new business acquisitions.



## Stature

Supply Chain Solutions is a Single Window enabler of Logistics and Supply Chain solutions encompassing all the needs of a value seeking progressive client – right from conceptualization to implementation. An in-house team of Supply Chain Analysts blend the clients objectives with a Supply Chain Design – be it a new organization or an organization seeking to re-engineer its supply chain. TCI SCS caters to key industries like Auto, Telecom, Hi Tech, Retail & CP, Life Sciences & Healthcare and Cold Chain through:

- A network of 230 offices and a skilled workforce of 1230 employees
- Diverse and specialized fleet of 1240 vehicles
- 8.5 million sq. ft. of warehousing space

## Expertise

TCI SCS has acquired the leading position in the supply chain segment owing to:

- Experience in offering complete services bouquet right from conceptualization to execution
- A KAM team to provide Single Window solutions across industry segments and services
- Domain know-how of 1230 highly skilled individuals and dedicated fleet
- Competency to operate on shorter product life cycles, scientifically and professionally managed inventory, supplemented with state of the art material handling equipment, warehousing and multimodal transportation
- Strategic benefits from collaborations with other companies, professional team management and adequate safety measures
- Associations with brand enhancing clients (Bajaj Auto, Café Coffee Day, CEAT, GM, Hindustan Unilever, Hero Honda, Hyundai, ITC, Maruti, Proctor & Gamble, Samsung to name a few)

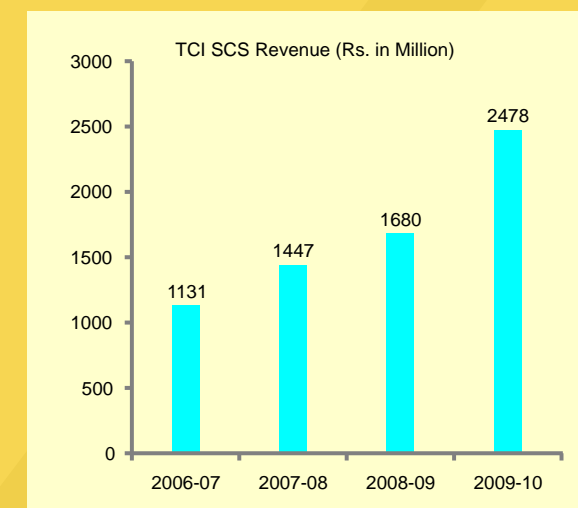


## Growth

The division registered a blistering growth of 48% in revenue and the profit after tax outpaced revenue growth at 124% higher as compared to the last financial year.

## Outlook

The division expects to grow at 30-40% annually. Anticipating the future and aiming to be more sustainable, TCI SCS expects to concentrate more on recession-resistant segments like warehousing as well as developing and/or acquiring hi-tech, apparel and telecom businesses. It also aims to increasing its warehousing space from 8.5 million sq. ft. to 10 million sq ft by 2011-12 to serve a larger number of clients.







## Stature

TCI Global provides complete Logistics & Supply Chain Solutions across boundaries and with this aim has set up operating subsidiaries in Singapore, Hong Kong, Indonesia, Thailand and China. The division plans to mark its footprints by expanding its horizons to other parts of the world.

TCI Global offers freight forwarding & customs clearance activities from all its domestic and international offices through:

- 14 domestic offices
- 12 international offices
- Agent network in 160 countries
- Team of 115 professionals

TCI Global caters to various industry verticals and also undertakes Project Cargo and break bulk services.

## Expertise

The division has specialization in providing comprehensive services as

- Complete capability of Air and Sea Freight services
- International express door-to-door delivery service
- Freight forwarding services
- End to end global supply chain solutions

In the FY 2009-10 the new initiatives and services taken up by the division to intensify its existing strengths include

- Exclusive contract with China Post for handling their India bound shipments
- The division's other new venture includes the commencement of a warehouse in Thailand with a Daily Line Feeding activity for an auto major

Be it meeting crucial deadlines, ensuring on time delivery of high value shipments or seamless supply chain solutions TCI Global has always fulfilled the aim of providing superior services.



## Growth

**Domestic:** The division witnessed a setback in terms of growth in the revenue compared to that of last year due to various reasons and it fell short by 20%.

**International:** The revenues and volumes for overseas operations of this division increased manifold in the year under review with anticipated startup losses.

## Outlook

The TCI Global subsidiaries in Germany, Malaysia and Brazil are ready to tap emerging opportunities especially in the mining sector, logistics industry in Brazil, express movements of cargo, 3PL and freight forwarding. The Division is also looking forward to reaching break even in terms of profitability for both Domestic and Global and doubling its revenue.



## Stature

TCI Seaways started as an independent sea cargo company in February 1995. It heralded the dawn of a new era for the parent company - TCI, with the territories having extended even further. The company has 1200 TEU containers and five vessels named:

- MVTXI XPS
- MVTXI Arjun
- MVTXI Shakti
- MVTXI Lakshmi
- MVTXI SURYA

The division is backed by a team of 115 people who deliver services to the clients. It has diverse cargo handling capability and an accident free record. TCI Seaways is ISM certified and also has an ISO 9001:2008 certification.

## Expertise

The division has extensive knowledge and vast experience in services that encompass transporting container and bulk cargo from Ports on the East Coast of the country and Far East destinations. Its expertise in customer orientation is also noteworthy.

## Growth

Though the division had a tough phase this year, it aspires to become more aggressive and innovative to score more. Results ended up with a marginal drop in revenues and profits for the year.

## Outlook

TCI Seaways plans to expand its fleet by acquiring another vessel in FY 2010-11. The division also intends to expand its service to Myanmar and Thailand and enter other routes. It plans to enter international business with larger tonnage vessels, ship management and chartering services and expects to register a 15-20% annual growth with the new ship addition.





## OTHER DIVISIONS and Joint Ventures

### Real Estate & Warehousing Division

TCI Developers Limited (TDL), in which TCI has proposed to demerge its real estate and warehousing business to have greater efficiency and synergy in operations, will develop every individual property on the basis of its size, location and feasibility as a residential and/or commercial project. Other projects would include state-of-the-art multimodal logistics parks, truck terminals, etc.

The demerging of the real estate & warehousing business of TCI will also enable the new company to raise adequate funds for its development plans on the strength of its future profitability and growth plans. TDL in future will raise funds through strategic and financial investors and institutions. The proposed demerger will create two entities focusing on their respective businesses, thereby addressing investors' concerns.



### Wind Power Division

With an installation capacity of 11.5 MW, the Wind Power Division of TCI is dedicated to offering quality, timely and economical wind energy project management. The division's return on the capital employed is steadily increasing with a 3% growth in revenue this financial year. The profit for this year took



### Joint Ventures

- Transystem International Pvt. Ltd.:

Transystem International is a joint venture between TCI and Mitsui & Co Ltd. which is the sole logistics partner for Toyota Kirloskar Motors Ltd. in India. The company has been providing complete logistics solutions, from inbound transportation from suppliers across India to outbound transportation of complete built units (CBU) & spares.

- Infinite Logistics Solutions Private Limited (ILSPL):

A JV company with CONCOR for bulk multimodal logistics solutions by rail and road.

- TCI Ann Sofie ScanAPS:

This is a JV between TCI and Scan Trans Denmark, running a single ship based out of Denmark for project cargo movement.

## Risk Management

### Industry Risk

Definition: Economic Slowdown may hamper company's performance.

Risk Mitigation: TCI provides services in all aspects of supply chain management, catering a wide range of industries. Besides it continuously keeps a watch on the economic environment and timely actions are taken to focus on the relevant segments of business as well as areas of operations. These help to sail through the unfavorable economic conditions.

### Quality Risk

Definition: Poor Service may increase competition risk.

Risk Mitigation: TCI continuously upgrades its services through technology up-gradation, business process re-engineering and by imparting training to its employees at all levels on regular basis. Besides the customer-centric KPIs align service levels with customer aspirations.

### Customer Concentration Risk

Definition: Over dependence on a few customers could do the damage in the event of a downturn.

Risk Mitigation: TCI has customers across diverse sectors like auto, retail, engineering, telecom, pharmaceuticals and chemicals from all geographical locations in the country. This mix helps to minimize such risks.

### Liquidity Risk

Definition: A delay in receivables could stretch the Company's working capital resources.

Risk Mitigation: At TCI, the continuous endeavour is to shift towards shorter transaction cycles. The Company has an in-built process of credit approval and monitoring with a predefined responsibility and accountability at various levels.

### Infrastructure Risk

Definition: Profitability might hamper with an increasing fleet age since it results into repair cost interest and depreciation.

Risk Mitigation: TCI's policy keeps overall cost control for the replacement of its ageing fleet. Continuous investment in new fleet and training the human assets helps to cope with this kind of risk.



### Business Concentration Risk

Definition: An excessive dependence on one line of business can threaten viability in the event of a sectoral downturn.

Risk Mitigation: TCI is in almost all vertical of supply chain management, catering to a wide range of industries. This helps to tide over any cyclical movement in any particular industry.

### Distribution Risk

Definition: An inadequate distribution network can affect growth.

Risk Mitigation: TCI provides services at over 3000 locations through its 1,200 fully computerized offices across the country, 6,500 employees and 20,000 strong outsourced team in India and overseas, six cargo ships, 7,000 trucks and trailers under operation and 8.5 million sq ft of warehousing.

### Risk Management Model

The strong and well thought-out risk management system of TCI extends its roots in every layer of management. Effective Risk Management that includes identifying of risks and mitigation is conducted by the Chief Risk Officer (CRO), who is ably supported by a team of risk officers in each business division.

Every TCI employee has the right to identify risk. Once identified, he/she reports it to the concerned risk officer who in turn conveys it to the CRO. The Risk Register is used for reporting the risks which are further classified in terms of their impact and occurrence probability. The risks are then mapped in terms of mitigation action to be executed. The Risk Register is brought under the scanner periodically by the senior management and on a quarterly basis, presented to the Audit Committee.

## Humane Side of the Leader: CSR

**"To me life means one long opportunity to be good and to do good"**

The late Shri P D Agarwal,  
Founder, TCI Group.



The philosophy of Shri P D Agarwal stands as the foundation for TCI's every philanthropic activity that has aimed to usher in a better world. The period under review (2009-10) has been a good year in terms of new initiatives, which are being planned and executed. Some of the major projects during this period were:

### TCI DAV Public School

In the remote Gobindpur in Khunti district of Jharkhand, TCI runs a school, which was initiated in 2005, in collaboration with DAV Ranchi. The principal aim of this school is to provide quality education to the disadvantaged children.

### Vocational Training Centre

In view of benefitting the students of our TCI DAV Public School, located in the tribal belt Jharkhand's Khunti district, a vocational training centre has been launched in February 2010. The intent is to facilitate the underprivileged communities in learning new skills, improve the existing ones and provide a common forum for social mobilization leading towards empowerment.

### Artificial Limb Centre

Since its inception in May 2008 till March 2010, TCI Jaipur foot and rehabilitation centre in Patna, a venture with BMVSS of Jaipur, has touched the lives of 2500 disable people coming from Bihar, Assam, Orissa, Bengal, Himachal Pradesh and even Nepal through its various camps. The centre provides artificial limbs, crutches and calipers for free to the economically deprived people.



### HIV/AIDS Awareness Workplace Policy

TCI is one of the few corporates in India with a well defined workplace policy on HIV/AIDS adopted in 2005. A bank of 70 master trainers manages the HIV/AIDS awareness programmes that have already covered 1200 employees in 48 training programmes. In early 2010, the Group's existing policy on the issue was added up with two new clauses:

- "We will create an enabling environment for a social dialogue on HIV/AIDS"
- "There would be no gender discrimination in the dissemination of information on HIV/AIDS and its treatment"

### Programme for Truckers

TCI Foundation is actively involved in spreading awareness and prevention of HIV/AIDS in India and works with agencies as Bill & Melinda Gates Foundation (BMGF) and National AIDS Control Organisation (NACO). The campaign with BMGF called Project

## Accolades and Recognitions

### ► Best 3PL Express, Logistics & Supply Chain Award

TCI received the Best 3PL Express, Logistics & Supply Chain Award 2009. This is for the third time in a row that we have bagged the ELSCCAward.



### ► Recognition from ILO

The International Labour Organisation (ILO) acknowledged us for the leadership provided in successful implementation of HIV/AIDS programme.



### ► Amity Corporate Excellence Award in Cargo transportation

The Amity International Business School & AGBS awarded us the Amity Corporate Excellence Award in cargo transportation.



### ► Best Logistics Service Provider in Automotive segment

We were acknowledged by Frost & Sullivan as the Best Logistics Service Provider in Automotive Segment.



### ► Best Transport Service Award

TCI Supply Chain Solutions bagged the Best Transport Service Award presented by Whirlpool.



### ► Apollo CV Award

The Apollo CV Award 2010 in Large Truck Fleet Operator of the year was bestowed on TCI.





## REPORT OF THE DIRECTORS

To the Members,

Your Directors are pleased in presenting the 15th Annual Report and the audited accounts of your Company – standalone as well as Consolidated, for the year ended 31st March 2010.

### FINANCIAL RESULTS

(Rs. in Million)

Particulars	Consolidated		Standalone	
	2009-10	2008-09	2009-10	2008-09
Income	15247.2	13582.8	14546.2	13044.2
Profit before Interest, Depreciation, Taxation & Exceptional Item	1169.3	1090.3	1139.5	990.0
Less: Interest (Net)	191.7	242.7	195.6	240.7
Depreciation (Net)	296.2	296.6	267.6	259.8
Profit before Tax & Exceptional Item	681.4	551.0	676.3	489.5
Less: Exceptional Item	29.2	40.0	29.2	40
Profit before Tax	652.2	511.0	647.1	449.5
Less: Provision for Tax – Current	226.4	159.8	203.4	147.2
- Deferred	8.6	-0.9	9.2	0.2
- FBT	0	19.1	0	18.7
Profit after Tax	417.2	333.0	434.5	283.4
Taxes for earlier years	-4.5	-0.4	-4.7	-0.2
Share of (profit)/loss transferred to minority interest	(0.02)	0.03	-	-
Add: Balance brought forward	211.3	185.3	75.8	72.1
Profit available for appropriation	624.0	517.9	505.6	355.3
Appropriations:				
- Interim dividend	29.0	0	29.0	0
- Proposed dividend	32.9	70.3	29.0	43.5
- Dividend Tax	10.4	7.7	9.7	7.4
- Tonnage Tax Reserve	12.5	16.0	12.5	16.0
- General reserve	350	212.6	350	212.6
Balance carried forward	189.2	211.3	75.4	75.8
	624.0	517.9	505.6	355.3

## Business Results

On standalone basis, your Company posted total revenue of Rs. 14,546 million as compared to Rs. 13,044 million in the previous year registering a growth of 11.51% over the last year. The profits before tax & exceptional item at a growth of 38.16% stood at Rs. 676.3 million against Rs. 489.5 million of the last year.

TCI Group, on a consolidated basis achieved total revenue of Rs. 15,247 million during the year under review against Rs. 13,582 million in the previous year. Consolidated profit before tax & exceptional items of the group for the FY 2009-10 was Rs. 681.4 million while it was Rs. 551 million during the previous year.

The consolidated financial statements are prepared in compliance with the Accounting Standards and listing Agreement as prescribed by the SEBI and include financial information of its subsidiaries and joint venture companies.

## Dividend

Keeping in view the improved performance, your Board has already declared an interim dividend of Re. 0.40 per share.

The Board has also recommended a final dividend of Re. 0.40 per share aggregating to the total dividend for the year @ Re. 0.80 per share (Previous year @ Re. 0.60/share) subject to the approval of Shareholders at the ensuing Annual General Meeting. The total payout including dividend tax works out to Rs. 67.77 million.

## Change In Paid Up Capital

During the year under review the paid up capital of the Company has been increased from Rs. 14,50,11,280 to Rs. 14,50,56,490 pursuant to allotment of 22,605 Equity Shares to the employees of the company who have exercised their stock options under Employee Stock Option Scheme 2006 Part-I.

## De-merger

As members are aware that the Company is de-merging its Real Estate and Warehousing Division and vesting into TCI Developers Limited (TDL) subject to the requisite approvals including from Hon'ble High Court of Andhra Pradesh, Hyderabad. The de-merger will be effective from 1st April 2010. In-principal approval to the Scheme has since been granted by both the stock exchanges i.e. Bombay Stock Exchange Limited and National Stock Exchange Limited, with which the shares of the company are listed.

Post de-merger, every Shareholder of the Company will get 1 (one) Equity Share of Rs. 10/- each in TDL for every 20 (twenty) Equity Shares of Rs. 2/- each held in the Company on the Record Date to be announced in due course.

## Subsidiaries

During the year, nine companies were added as the subsidiaries of your company, thereby taking the total number of subsidiary companies to twenty-one as on March 31, 2010. The financial details of the subsidiaries as well as the extent of holdings therein are provided in a separate section of the Annual Report.

The Company has applied to the Central Government under Section 212(8) of the Companies Act, 1956, seeking an exemption from attaching the copies of balance sheet, profit and loss account, directors / auditors report and other documents required to be attached under section 212(1) of the Companies Act, 1956 to the balance sheet of the Company, the said approval is expected shortly. The Company had been granted such approval in previous years. Accordingly, the said documents are not being attached with the balance sheet of the Company. Shareholders who may be keen of getting Annual Accounts of the Company's Subsidiaries may obtain it upon request. The annual report and accounts of these companies will be kept for inspection at your Company's registered office. The financials of the subsidiaries of the Company have been provided in a statement pursuant to Section 212 of the Companies Act, 1956, which forms part of this Annual Report. Further, the consolidated financial statements, which include the financial information of the subsidiaries of the Company has been prepared pursuant to the provisions of Accounting Standards (AS) – 21 issued by the Institute of Chartered Accountants also forms part of the Annual Report.

## Public Deposits

As on 31st March 2010, Public Deposits stood at Rs. 5.48 million, out of which Rs. 0.08 million have matured and remain unclaimed.

There have been no overdue deposits.

## Directors

In line with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. S.M. Datta, Mr. S.N. Agarwal and Mr. R.V. Raghavan, Directors are retiring by rotation at this meeting and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

## Auditors And Auditors' Report

M/s. R.S. Agarwala & Co., Chartered Accountants, Kolkata hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

M/s. K.B. Chitrakar & Co., Chartered Accountants, Kathmandu, the Branch Auditors for branches situated in Royal Kingdom of Nepal are retiring at this AGM and being eligible, offer themselves for re-appointment.

M/s. R.S. Agarwala & Co., Chartered Accountants, Bangalore are proposed to be appointed as the Branch Auditor for auditing the accounts of the TCI Seaways Division of the Company for the financial year 2010-11.

The Company has received letters from them that their reappointment if made, shall be within the prescribed limits u/s 224(1B) of the Companies Act 1956 and that they are not otherwise disqualified within the meaning of section 226 of the said Act.

The Notes on Accounts as referred in the Auditors' Report are self-explanatory and therefore do not call any further comments.

## Human Resources

Your Board continues to consider human resources as the most valuable asset in our organization and endeavor is to retain and develop its human resources. The Corporate Human Resources department is committed to improve employee satisfaction at all levels and create a motivated, responsive and accountable organization.

An outside agency of repute was engaged to measure Employees Satisfaction Survey and the outcome thereof is quite helpful to make amends wherever necessary.

Staff training & development has been given special thrust to ensure people development, learning, sharing of knowledge and best practices. Functional specific training programmes are being organized throughout the year at various locations facilitating maximum participation.

## Statutory Disclosures

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information and data is given in the annexure hereto.

## Employee Stock Option Scheme

Your Company has introduced Stock Option Plans to reward and retain best talent. During the year under review 108,000 options were granted by the Compensation / Remuneration Committee in its meeting held on 21st May 2009 to the deserving employees.

A statement of disclosures pursuant to Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 has been annexed with this report.

## Management Discussion & Analysis Report

Management Discussion & Analysis Report is annexed to this report.

## Corporate Governance Report

As per the requirements of Clause-49 of the Listing Agreement, a separate report on Corporate Governance is annexed to this report.

The Auditors certificate on compliance under Corporate Governance is also annexed.

## Corporate Social Responsibility

The year under review has been an encouraging one in terms of new initiatives planned and executed. The most important ones were the starting of a vocational training center in the campus of our school—TCI DAV Public School in the remote area of Khunti District, Jharkhand. The various CSR activities are run by Group TCI's social arm, TCI Foundation (TCIF).

### Artificial Limb Center

In May 2008, TCI in collaboration with BMVSS, Bhagwan Mahaveer Viklang Sewa Samiti in Jaipur started an artificial limb center namely "TCI Jaipur Foot and Rehabilitation Center" situated in Patna. It provides artificial limbs, crutches and calipers to the poor free of cost. The intervention has impacted several lives, which went off track because of disability struck due to accidents, illnesses etc. After receiving the service, people who were earlier working have got back to work, children have become mobile and leading lives of less or no dependence as far as their physical movement is concerned. Since the time the center became operational till March 2010, the center has touched the lives of more than 2500 people. Other than the people of Bihar, our center has provided benefit to people of Assam, Orissa, West Bengal, Himachal Pradesh & Birgunj (Nepal) through the various camps that have been organized.

### TCI DAV Public School

TCI started a school in year 2005, in Gobindpur in Khunti district of Jharkhand state. The main objective behind opening the school was to provide and reach quality education in remote areas, which have low or no accessibility to quality education. Presently the school is upto 8th Standard beginning from Nursery. TCI has lately entered into an agreement with DAV Ranchi in the year 2008 for the proper running of the school.

### Vocational Training Center

TCI has started a vocational training center in its school campus in February 2010. The intent behind starting the center was to facilitate the communities in the tribal belt to learn new skills, upgrade the existing ones and also to provide a common forum for social mobilization leading towards empowerment. We are providing training in sewing, computers and beauty culture. As of now we have 113 women and girls enrolled for various trainings.

### Dispensaries

Till recently TCI was running dispensaries in three locations i.e. Ahmedabad, Coimbatore and Port Blair. It was decided to close down Ahmedabad dispensary after the findings of an internal survey showed that enough interventions have been introduced by the State Government in the area. The patients visiting in the two remaining dispensaries are very poor, hence are given treatment & medicines free of charge.

### HIV/AIDS Awareness Programme

TCIF runs KAVACH, an awareness programme on HIV/AIDS for the long distance truckers. The programme had focused interventions in 15 largest impact locations on the major routes along the national highways inspired by the programming approach of Kavach in arresting the spread of HIV among the vulnerable population. National AIDS Control Organisation has contracted TCIF as the technical Support Group (TSG) to the truckers programme for mainstreaming and scaling up the trucker's intervention to the national HIV prevention programme (NACP-111).

### TCI's HIV AIDS Workplace Policy

TCI is one of the few Corporates in India with a well defined workplace policy on HIV/AIDS. The policy was adopted in 2005 and was revised in January 2010 by incorporating two new clauses on social dialogue and gender discrimination.

TCI has a bank of 70 Master Trainers who provide awareness programmes on HIV/AIDS to the staff at large. During the year under review, 1200 employees have been covered in 48 training programmes. A module on HIV/AIDS awareness programme has been developed which is integrated with the overall training programmes of the TCI Group.

### Directors' Responsibility Statement

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

- (i) The Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the profit of the Company for the year ended 31st March 2010.
- (iii) The Directors had 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 for the financial year ended 31st March 2010 on a going concern basis.

### Cautionary Statement

Statements made in the Management Discussion and Analysis contain certain forward looking statements based on various assumption on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties.

### Particulars of Employees

As required under Section 217(2A) of the Companies Act, 1956 ("the Act") read with Rules framed there under, as amended, the requisite details are set out in the annexure to this Report.

### Acknowledgements

On behalf of the Board of Directors, I would like to place on record my deep appreciation to all the Government Authorities, Regulatory bodies, banks, Financial Institutions, Customers and Shareholders of the Company. I also thank my colleagues on the Board for their timely guidance & support extended to me.

Your Directors would also like to take the opportunity to express their appreciation for the dedicated efforts from the employees of the Company.

For & on behalf of the Board

Place: Gurgaon  
Dated: 19th May 2010

S. M. Datta  
Chairman

### CEO/CFO CERTIFICATION

The Board of Directors  
Transport Corporation of India Ltd.  
Gurgaon (Haryana)

This is to certify that:

- a) We have reviewed financial statement for the F. Y. ended 31st March 2009 and the cash flow statement for the year (consolidated and unconsolidated) and that to the best of our knowledge and belief: -
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair copy of the Company's affairs and are in compliance with existing standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and Audit committee:
  - (i) About significant changes in internal control during the year, whenever applicable;
  - (ii) That there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) That there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having such significant role in the Company's internal control system.
- e) We further declare that all members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For Transport Corporation of India Ltd.

D. P. Agarwal

Vice Chairman & Managing Director

Place: Gurgaon (Haryana)

Dated: 19th May 2010

For Transport Corporation of India Ltd.

A. K. Bansal

Group CFO & Co. Secretary

Place: Gurgaon (Haryana)

Dated: 19th May 2010



## ANNEXURE TO THE DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### Conservation of Energy and Research & Development:

The Company continues to strive for infusing such procedures in its operations so as to achieve & conserve energy. Ongoing endeavour is in place by virtue of following measures to achieve operational efficiency:

- Trucks have been designed to reduce their fuel consumption by modern aerodynamic designs.
- Periodic training and sensitization is given to drivers to increase their efficiency by safe and intelligent driving.
- Regular replacements of older trucks, which have less fuel efficiency, are done to ensure a low average age of the overall fleet.
- Disposal of tyres, batteries and used oil is done with proper care for environment conservation.
- The Company has propagated the use of energy and environmentally friendly railways and moved more than 300 full train equivalents in the last fiscal.
- As nearly all the Company's fleet are equipped with Global Positioning System (GPS) and GPRS instruments, it has resulted in timely tracking of the trucks and providing cargo updates to customers while reducing costs due to better route and speed monitoring.
- RTHSSE (Road Transport Health Safety Security and Environment) Mechanism continues to yield encouraging results at various fleet centers of Company.

#### Foreign exchange earnings and outgo:

(Rs. in Million)

	2009-10	2008-09
Foreign Exchange Outgo	318.51	187.37
Foreign Exchange Earnings	98.81	97.07

### B. Statement under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

Sl No	Name & Qualification	Age	Designation/ Nature of Duties	Remuneration (Rs. in Million)	Exp. in Yrs.	Date of Commencement	Previous Employment/ Position held of employment
Employed for full year							
1	D. P. Agarwal* B. Com.	60	Vice-Chairman & Managing Director, Overall Management	27.6	45	10.04.1996	VC&MD, TCI Industries Ltd.
2	Vineet Agarwal* B. Sc. (Econ.)	36	Executive Director, General Management	18.1	14	01.04.1996	Executive, TCI Industries Ltd.

3	Chander Agarwal* B. Sc. in Business Administration	31	Executive Director, General Management	13.31	8	01.11.2002	-
4.	K. Prabhakar* B.A.	57	Wholetime Director	2.90	34	01.07.1978	Divisional Manager, ABC India Ltd.
5.	O. P. Jain CA, LLB, B. Com	57	President & CEO, TCI Freight	2.71	31	01.03.1991	GM, Finance, Bhoruka Steels Ltd.
6.	Jasjit S. Sethi MBA	43	CEO, TCI SCS	2.6	22	01.08.2000	Dy. Manager, Apollo Tyres Ltd.

\*Nature of employment contractual as per the terms of appointment.

NOTES: Remuneration stated above include inter-alia, value of perquisites and other benefits as per provisions of the Income Tax Act, 1961 and Rules made hereunder and Company's contribution to Provident Fund but does not include Gratuity paid or contribution made to Gratuity Fund.

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31st March 2010

Particulars		ESOS 2006 Part I	ESOS 2006 Part II
a.	Number of options granted	100,000	108,000
b.	The Pricing Formula	about 50 % discount was given at closing price of share.	
c.	Number of options vested	30,000	-
d.	Number of options exercised	22,605	-
e.	Total number of shares arising as a result of exercise of options	22,605	-
f.	Number of options lapsed	7,395	-
g.	Variation in the terms of options	NA	NA
h.	Money realised by exercise of options	1,017,225	0
i.	Total Number of options in force	70,000	108,000
j.	Employee-wise details of options granted to:		
(i)	Senior managerial personnel Mr K. Prabhakar, Whole Time Director	Options granted 10,000	Options granted 10,000
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year		
	1. Mr O. P. Jain, CEO - TCI Freight Division	10,000	10,000
	2. Mr Jasjit Sethi, CEO - TCI SCS Division	10,000	10,000
	3. Mr P. C. Sharma, CEO - TCI XPS Division	10,000	10,000
	4. Mr H.S. Bhatia, CEO - TCI Global Division	10,000	10,000

(iii)	Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	None
k.	Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20		5.92
l.	The impact on the profits and EPS of the fair value method is given in the table below -	Rs.	
	Profit as reported	429,809,960	
	Add - Intrinsic Value Cost	3,252,198	
	Less - Fair Value Cost	3,930,606	
	Profit as adjusted	429,131,552	
	Earning per share (Basic) as reported	5.93	
	Earning per share (Basic) adjusted	5.92	
	Earning per share (Diluted) as reported	5.92	
	Earning per share (Diluted) adjusted	5.91	
m.	Weighted average exercise price of Options whose	Rs.	
(a)	Exercise price equals market price	Nil	Nil
(b)	Exercise price is greater than market price	Nil	Nil
(c)	Exercise price is less than market price	45.00	30.00
	Weighted average fair value of options whose		
(a)	Exercise price equals market price	Nil	Nil
(b)	Exercise price is greater than market price	Nil	Nil
(c)	Exercise price is less than market price	57.24	34.96
n.	Method and Assumptions used to estimate the fair value of options granted during the year:		
	The fair value has been calculated using the Black Scholes Option Pricing model		
	The Assumptions used in the model are as follows:		
	Date of grant	23-May-08	21-May-09
	1. Risk Free Interest Rate	7.91%	5.28%
	2. Expected Life	2.22	2.22
	3. Expected Volatility	55.24%	58.26%
	4. Dividend Yield	1.40%	0.88%
	5. Price of the underlying share in market at the time of the option grant (Rs.)	95.00	59.75

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is the way of handling the activities of a corporate in a fair and most transparent manner, setting accountability and integrity of the management. Corporate governance has indeed been an integral part of all the activities and processes of the TCI since years. Corporate Governance revolves around commitment and ethical business conduct.

TCI Board believes that Corporate Governance is just not as compliances of legal requirements, its about standards, value ethics and managing the business activities as the trustee of all the stakeholders and society at large.

Corporate Governance is a continuous process of sustaining and enhancing the standards of values and ethics. TCI's basic philosophy of Corporate Governance is reflected in following principles:

- Conducting the business affairs in the ethical manner
- Corporate Social Responsibility
- Internal Checks and audits
- Effective and prompt shareholders communication ensuring correct and timely disclosures and disseminations of all the price sensitive information
- Ensuring highest level of accountability and responsibility
- Ensuring total compliance with all the applicable laws & regulations
- Compliance of Code of Conduct for Board Members and Senior Management along with Insider Trading prevention regulations
- Independent Statutory Auditors

### BOARD OF DIRECTORS

The Board of Directors of TCI is an optimum combination of executive, non-executive and independent directors. Mr S. M. Datta, a non-executive independent Director heads the Board as its Chairman. The Board of Directors evaluates all the vital matters and gives strategic directions to the Company. The Board exercises its power and other functions at the Board Meetings and also through various committees of Directors and / or senior officials.

All the important matters like management policies, their effectiveness and implementations, performance, setting up of goals, control functions are critically evaluated by the Board itself.

## BOARD COMPOSITION

Non-executive and Independent Chairman Mr.S.M.Datta heads TCI Board.The majority on the Board including the Chairman is of Non-Executive Directors. As at 31st March 2010,the composition of the Board is as follows:

Sl. No	Name of Director	Category & Designation	Number of Directorship in Companies (including TCI)*		Number of Membership of Committees (including TCI)#	
			Public	Private	Member	Chairman
1	Mr S. M. Datta	Independent Non Executive Chairman	15	3	4	2
2	Mr D. P. Agarwal	VC&MD, Executive Promoter Director	5	3	1	Nil
3	Mr S. N. Agarwal	Non Executive Director	6	8	2	1
4	Mr K. S. Mehta	Independent Non Executive Director	12	1	5	1
5	Mr O. Swaminatha Reddy	Independent Non Executive Director	9	5	Nil	5
6	Mr R.V. Raghavan	Independent Non Executive Director	4	Nil	2	Nil
7	Mr Vineet Agarwal	Executive Promoter Director	4	3	3	Nil
8	Mr Chander Agarwal	Executive Promoter Director	15	3	Nil	Nil
9	Mr M. P. Sarawagi	Non Executive Director	5	5	Nil	Nil
10	Mr K. Prabhakar	Whole Time Director, Executive Director	3	2	Nil	Nil

\* Includes foreign companies

#Memberships of only Audit and Shareholders' Grievance Committees of Public Limited companies are considered as relevant for the purpose of computing limit under Clause 49(IV)(C) of the Listing Agreement. All the directors have confirmed to the Board that they are not member of more than 10 (ten) committees and do not act as Chairman of more than 5 (five) committees across all the companies in which they are directors.

## BOARD MEETINGS

Board of Directors meets every quarter or earlier as and when such necessity comes across. During the financial year ended 31st March 2010, five meetings of the Board of Directors took place. The maximum time gap between any two-Board meetings was less than 4 months. The following tables depict the status of Board meetings and attendances of directors at the Board meetings and General Meetings:

Sl. No	Meeting Dates	Board Strength	No. of Directors Present
1.	21st May 2009	10	10
2.	22nd July 2009	10	8
3.	28th October 2009	10	8
4.	22nd January 2010	10	8
5.	17th March 2010	10	6

## ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND LAST AGM

Sl. No	Names	No. of Board Meetings attended in FY 2009-10	Attendance at last AGM held on 22nd July 2009
1.	Mr S. M. Datta	5	Yes
2.	Mr D. P. Agarwal	5	Yes
3.	Mr S. N. Agarwal	3	Yes
4.	Mr K. S. Mehta	3	No
5.	Mr O. Swaminatha Reddy	5	Yes
6.	Mr R.V. Raghavan	4	Yes
7.	Mr Vineet Agarwal	4	Yes
8.	Mr Chander Agarwal	4	Yes
9.	Mr M. P. Sarawagi	3	Yes
10.	Mr K. Prabhakar	4	No

## CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

The Board has formulated a Code of Conduct and Ethics based on the inherent principles of Corporate Governance, general business ethics and practices. These codes are comprehensive and are applicable to all the Board Members and Senior Management Personnel. All the Board members have given a confirmation for complying these codes during the financial year 2009-10.

## APPOINTMENT / REAPPOINTMENT OF DIRECTORS

Pursuant to the requirements of the Listing Agreements with Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/re-appointed is given herein under:

- Mr S. M. Datta graduated with Honours in Chemisrty from Presidency College, Calcutta and obtained a Post Graduate Degree in Science & Technology from Calcutta University. He is a Chartered Engineer. Fellow of the Institution of Engineers, Fellow of Indian Institute of Engineers, Member, Society of Chemical Industry (London) and Honourary Fellow of All India Management Association. Mr Datta has been the Chairman of Hindustan Unilever Ltd (HUL) as well as of all Uniliver Group companies in India and Nepal from 1990 to 1996. He had joined HUL as Management Trainee in 1956 after completing his University education in Chemical Engineering. Mr Datta has also headed the Associated Chambers of Commerce & Industry and Council of EU Chambers of Commerce & Industry and of Indian Chemical Manufacturers Association as President besides having served as the chairman of Bomaby First. Mr Datta has more than 50 years of rich experience in various business enterprises.

Public Limited Companies		Name of Committee	
1	Transport Corp. of India Ltd.	Transport Corporation of India Ltd.	
2	Castrol India Ltd.	Audit Committee	-Member
3	Philips Electronics India Ltd.	Remuneration / Compensation Committee	-Chairman
4	IL & FS Investment Managers Ltd.	Castrol India Ltd.	
5	BOC India Ltd.	Shareholders ' / Investors' Grievance Committee	-Chairman
6	Tata Trustee Co Ltd		



7	Peerless Hospitex Hospital & Research Centre Ltd.	IL & FS Investment Managers Ltd.	
8	Peerless Gen. Fin. & Inv. Co. Ltd.	Shareholders'/ Investors' Grievance Committee	-Member
9	Peerless Hotels Ltd.	Compensation Committee	-Member
10	Zodiac Clothing Company Ltd.		
11	Kansai Nerolac Paints Ltd.	BOC India Ltd.	
12	Atul Ltd.	Audit Committee	-Chairman
13	Bhoruka Power Corporation India.	Peerless Gen. Fin. & Inv. Co. Ltd.	
14	Deutsche Postbank Home Finance Ltd.	Audit Committee	-Member
15	Rabo India Finance Limited	Rabo India Finance Limited	
16	Reach (Cargo Movers) Pvt. Ltd.	Audit Committee	-Member
17	Ambit Holdings Pvt. Ltd.	Deutsche Postbank Home Finance Ltd.	
18	Chandras' Chemical Enterprises (Pvt.) Ltd.	Remuneration Committee	-Member

As on 31.03.2010, Mr. S. M. Datta does not hold any shares in the Company.

2. Mr S. N. Agarwal has over 39 years of rich and varied experience in the various industries. Mr S. N. Agarwal is the member of the Governing Body of IIM, Bangalore. Mr Agarwal did his Graduation in the Management from Davenport College of Business US and Advanced Management Program (AMP) certification from Harvard Business School, USA. Mr Agarwal has interest in Power and Gas industries. He is occupying position of Chairman/director in prominent companies.

Companies in which Mr S. N. Agarwal holds Directorship and Committee Membership:

Public Limited Companies		Name of Committee	
1	Transport Corporation of India Ltd.	Transport Corporation of India Ltd.	
2	Bhoruka Gases Limited	Shareholders'/ Investors' Grievance Committee	-Member
3	TCI Industries Ltd.	Audit Committee	-Member
4	Bhoruka Power Corporation Ltd.		
5	Kirloskar Electric Company Ltd.	Kirloskar Electric Company Ltd.	
6	Shahapur Power Limited.	Audit Committee	-Chairman
7	Riverina Oil and Bio Energy Pty Ltd.	Remuneration Committee	-Chairman
8	Iruppu Power Pvt. Ltd.		
9	Bhoruka Steel Investments Pvt. Ltd.		
10	Bhoruka Realty Investments Pvt. Ltd.		
11	Bhoruka Realty Holdings Pvt. Ltd.		
12	Bhoruka Gases Investments Pvt. Ltd.		
13	Bhoruka Power Investments Pvt. Ltd.		
14	Bhoruka Steel Holdings Pvt. Ltd.		

As on 31.03.2010, the relatives of Mr S. N. Agarwal holds 1030 Shares of the Company.

3. Mr R.V.Raghavan is a professional manager with about forty years of varied experience, at senior executive/ Board levels in various companies of repute. A Chartered Accountant by profession, and recognized early for his skill in developing Management Information Systems, Mr Raghavan's career path encompassed through the Finance function with top corporates, both in India & abroad. Mr Raghavan's experience profile is enriched with its extensive exposure to dealing with people of diverse cultures and persuasions, at all levels and in widely divergent environments.

Companies in which Mr R.V. Raghavan holds Directorship and Committee Membership:

Public Limited Companies		Name of Committee	
1	Transport Corporation of India Ltd.	TRF Limited	
2	TRF Limited	Audit Committee	-Member
3	Andhra Pradesh Paper Mills Limited	Remuneration Committee	-Member
4	Rane Engine Valve Ltd.	Andhra Pradesh Paper Mills Limited	
		Audit Committee	-Member
		Remuneration Committee	-Member

As on 31.03.2010, relatives of Mr R.V. Raghavan does not hold any share in the Company.

## BOARD COMMITTEES

### I. AUDIT COMMITTEE

The major role of the Audit Committee is to oversee the quality and integrity of the accounting, auditing and internal control policies of the Company and to ensure the adherence to and compliance with these policies.

The terms of reference and powers of the Audit Committee inter alia include following:

- Reviewing with the management, the quarterly / annual financial statements and submission with the Board for approval.
- Reviewing with the management, performance of internal and statutory auditors and adequacy & efficiency of the internal control systems.
- Recommending the appointment and removal of statutory auditors, discussion and review of periodic audit reports and discussions with internal/ external auditors about the scope of audit including the observations of the auditors.
- Discussion with the internal auditors of any significant findings and follow up thereon.
- Carrying out any other function as is mentioned in terms of reference of Audit Committee.
- To investigate any activity within the ambit of its functional scope.
- To seek information from any official of the Company.

Composition and Attendance:

As on 31st March 2010, the Audit Committee consists of four non-executive directors, the three of them are independent. The Audit Committee has been constituted in accordance with the requirements of the provisions of Section 292A of Companies Act, 1956 and Clause 49 of Listing Agreement. All the members of the Audit Committee have requisite financial knowledge and experience and experts in the finance field.

During the year under review, four meeting of the Audit Committee were held:

Name of the Member	No. of Meetings attended
Mr O. Swaminatha Reddy - Chairman	4
Mr S.M Datta	4
Mr K.S. Mehta	3
Mr S.N. Agarwal	2

## II. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors Grievance Committee of the Board oversees redressal of stakeholders' grievances related to transfer / duplicate issue of shares, non-receipt of balance sheets, non-receipt of dividend etc. The committee also reviews the performance of the Registrars and Share Transfer Agents and recommends measures for overall improvement in quality of investor service.

All the complaints received during the year were resolved with the satisfaction of the concerned shareholders and there was NIL pending complaint/ grievance as at 31st March 2010.

During the year, four meetings of the Committee were held:

Name of the Member	No. of Meetings attended
Mr K. S. Mehta - Chairman	3
Mr S. N. Agarwal	2
Mr Vineet Agarwal	4

## III. SHARE TRANSFER COMMITTEE

The Board has also constituted a Share Transfer Committee inter alia to approve the share transfers in Physical as well as Demat form and to approve the issuance of duplicate share certificates.

Share Transfer Committee meets once in every fortnight and 24 such meetings were held during the year under review and its composition is:

Name of the Member	Position
Mr D. P. Agarwal	Chairman
Mr Vineet Agarwal	Member
Mr M. P. Sarawagi	Member

## IV. FINANCE COMMITTEE

The Finance Committee primarily meets in extreme exigency in place of the Board meeting to deal with following matters:

- To take on record the un-audited quarterly results for the Company for the 1st & 3rd quarter.
- To consider and approve proposals from Banks/Financial Institutions for availing financial assistance for the Company – for both Term loan as well as working capital within the permissible limits.
- Any other issue as may be delegated by the Board.

## COMPOSITION:

The Composition of Finance Committee is as follows:

Name of the Member	Position
Mr S. N. Agarwal	Chairman
Mr O. Swaminatha Reddy	Member
Mr K. S. Mehta	Member
Mr D. P. Agarwal	Member
Mr Vineet Agarwal	Member

## V. RESTRUCTURING COMMITTEE

Constitution of Re-structuring Committee:

The Restructuring Committee was formed by the Board in the year 2008 to identify such properties, being land & buildings, situated all across the country, which, as of now may not essentially be required for business operational use. Such identified properties may be developed commercially / residentially keeping in view the respective local factors in mind and also to increase shareholders wealth.

The scope of the Restructuring Committee inter alia includes :

- Evaluate options to improve financial and operating performance.
- Evaluate reconstructing the business of the Company by way of creation of any division and/or de-merger or otherwise.
- To carry out valuation of the businesses carried on by the Company.
- To appoint agencies / consultants / lawyers, etc., whose service may be required to carry out the Reconstruction of the business of the Company.
- To consider all the other incidental business in respect of the above.

## COMPOSITION

Name of the Member	Position
Mr D. P. Agarwal, Vice Chairman & Managing Director	Chairman
Mr O. Swaminatha Reddy, Director	Member
Mr M. P. Sarawagi, Director	Member

## VI. COMPENSATION/ REMUNERATION COMMITTEE

The Compensation Committee of the Directors comprises of a majority of independent directors. This Committee primarily overlooks the Employee Stock Options Scheme besides mandated to consider payment & fixation of remuneration to the Managerial personnel as and when required.



## COMPOSITION

Name of the Members	Position
Mr S.M. Datta	Chairman
Mr O. Swaminatha Reddy	Member
Mr M.P. Sarawagi	Member

## REMUNERATION POLICY

The Company while deciding the remuneration package of the senior management members takes into consideration the following items:

- employment scenario;
- remuneration package prevailing in the industry; and
- remuneration package of the managerial talent of other industries.

Name of Directors	Salary (Rs.)	Sitting Fees (Rs.)	Commission (Rs.)
Mr S. M. Datta	-	125,000	250,000
Mr D. P. Agarwal-VC&MD	18,568,095	-	5,000,000
Mr S. N. Agarwal	-	Nil	250,000
Mr K. S. Mehta	-	105,000	250,000
Mr O. Swaminatha Reddy	-	145,000	250,000
Mr R.V. Raghavan	-	60,000	250,000
Mr Vineet Agarwal, Executive Director	13,588,555	-	2,500,000
Mr Chander Agarwal, Executive Director	8,811,747	-	2,500,000
Mr M. P. Sarawagi	-	-	-
Mr K. Prabhakar, Whole Time Director	2,840,336	-	-

- The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fees and/or payment of commission to them. The Company is paying fees to a firm of legal consultants of which a Non-Executive Director is a proprietor / partner.
- Mr S.N. Agarwal did not accept any sitting fees while Mr M.P. Sarawagi has chosen not to take any sitting fee / commission voluntarily.

## HOLDING OF SHARES BY NON EXECUTIVE DIRECTORS

Except Mr S.N. Agarwal and Mr M.P.Sarawagi who holds 1030 and 10,930 equity shares through their relative(s), respectively, no other non-executive director holds any shares as on 31st March 2010.

### DISCLOSURES:

#### A. Related Party Transactions

The transactions with the Related Party have been disclosed in detail vide note number 6 of Schedule number 23 to the Balance sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on this date which forms part of the Balance sheet.

#### B. Compliance with Regulations

The Company has duly complied with various rules and regulations prescribed by the stock exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital markets, and no penalties or strictures have been imposed on the Company by any of them in this regard during the last three years.

#### C. Risk Management

The Company has adopted a Risk management Policy. It has laid down procedures to inform the Board members every quarter about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls various risks by means of properly defined framework.

#### D. Whistle Blower Policy

Your Company has put in place a whistle blower policy to enable a person who observes an unethical practice (whether or not a violation of law), to approach Audit Committee without necessarily informing their supervisors and without revealing their identity, if they choose to do so. This policy primarily takes care of reporting and investigation of allegations of suspected improper activities. Employees and others are encouraged to use guidance provided by this policy for reporting all allegations of suspected improper activities. Your Company has put in place proper checks to protect the identity of complainant and any instance of retaliation against such person.

#### E. Accounting Standards

The Company has duly followed the accounting standards laid down by the Institute of Chartered Accountants of India.

#### F. Management & Discussion Analysis Report

The detailed Management & Discussion Analysis Report has been enclosed with this annual report.

#### Means of Communication:

The financial results of the Company are being published in widely circulating national dailies such as Economic Times, Hindu Business Line, Financial Express and Andhra Prabha etc. Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for trading.

The financial results of the Company and Annual Report are also displayed on Company's official website <http://www.tcil.com> from time to time.

## GENERAL SHAREHOLDER INFORMATION

### I. ANNUAL GENERAL MEETING:

The 15th Annual General meeting of the Company is scheduled to be held on 21st July 2010. The related information is as follows:

Date	21st July 2010
Time	11:00 A.M.
Venue	Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004.
Book Closure Dates	21st July 2010
Dividend Payment Date	On or after 22nd July 2010
Financial year	1st April 2009 – 31st March 2010
Listing of Equity Shares at	The National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
Stock Code	NSE-TCI & BSE-532349
ISIN No.	INE688A01022

### II. POSTAL BALLOT

During the last financial year under review, there was no resolution passed through Postal Ballot process.

### III. GENERAL BODY MEETINGS:

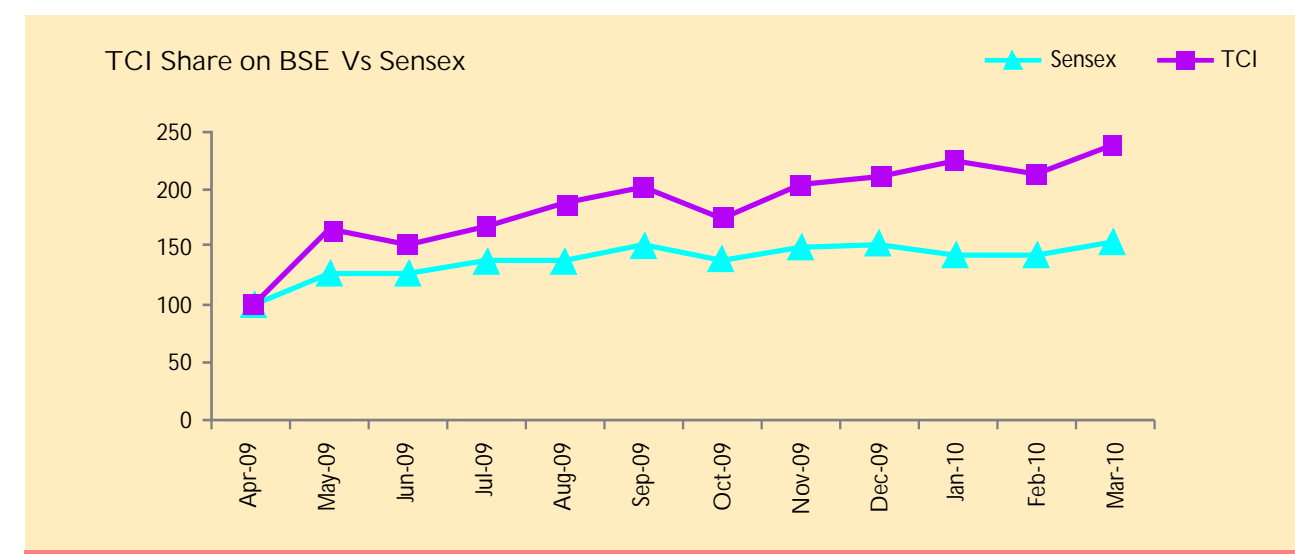
The details of Annual General Meetings held in during the last 3 years and the Extra Ordinary General Meeting held during the last one year are given in following table:

Year	Date	Time	Venue	Special Resolution
Annual General Meetings				
2008-09	22nd July 2009	11:00 am	Surana Udyog Hall, The Federation of Andhra Pradesh, Chambers of Commerce & Industry, 11-6-841, Red Hills, Hyderabad-500004	None
2007-08	29th July 2008	12:00 Noon	- do -	None
2006-07	25th July 2007	11:00 am	- do -	None
Extraordinary General Meetings				
2007-08	6th Sep 2008	1:00 pm	306-307, 1-8-271 to 273, 3rd Floor, Ashoka Bhoopal Chambers, S. P. Road, Secunderabad –500003	Preferential Issue under Section 81(1A) of the Companies Act, 1956.

## IV. STOCK MARKET PRICE DATA (IN RS./PER SHARE)

Months	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume (No. of Shares)	High	Low	Volume (No. of Shares)
April 2009	54.05	33	383,856	55	33.3	821,663
May 2009	71	44.15	971,550	71.85	43.5	1,473,173
June 2009	84.7	58.3	1,966,832	85.6	57.6	1,797,092
July 2009	77.5	53.2	322,394	77.7	52.5	1,056,172
August 2009	89.8	68	797,342	89.9	67	1,607,214
September 2009	96.8	80	1,113,268	96.45	80.2	2,422,182
October 2009	99.7	74	1,237,258	99.55	74.65	2,730,119
November 2009	95	70.6	572,593	95.5	73.5	1,175,513
December 2009	95.9	85.1	1,449,714	95.55	82.3	2,866,324
January 2010	137.2	88.5	4,623,727	137.3	88.05	9,129,126
February 2010	102.75	87.15	1,035,786	102.6	76.9	3,183,847
March 2010	116.8	90	4,186,165	116.4	91.4	9,504,504

The following graph depicts the share price movement of the company's share on BSE Vs BSE Sensex during 2009-10:



Base 100 = April 2009



#### V. UNCLAIMED DIVIDENDS:

As per the provisions of Section 205A read with 205C of the Companies Act, 1956, any amount of dividend which is lying unclaimed for a period of 7 years from the date of its declaration will be deposited with "Investor Education and Protection Fund" (IEPF), a Fund managed and administered by the Central Government. The date of declaration of dividend and date of their transfer is given in table below.

Year	Nature of Dividend	Date of Declaration	Date after which Unpaid Amount be Transferred within 30 days to IEPF
2002-03	Final	29th Aug, 2003	28th Aug, 2010
2003-04	Final	4th Sep, 2004	3rd Sep, 2011
2004-05	Final	3rd Sep, 2005	2nd Oct, 2012
2005-06	Final	23rd Oct, 2006	22nd Oct, 2013
2006-07	Interim	9th Feb, 2007	8th Feb, 2014
2006-07	Final	25th July, 2007	24th Jul, 2014
2007-08	Interim	24th January, 2008	23rd Jan, 2015
2007-08	Final	29th July, 2008	28th Jul, 2015
2008-09	Final	22nd July, 2009	21st July, 2016

No claim shall accrue for payment of dividend after the expiry of Seven Years from the date of its declaration. The Shareholders are requested to claim their unclaimed dividend, if any. As an investors friendly measure, the Company has been sending reminders to the shareholders whose dividend is lying unclaimed for the past years requesting to claim the same, if any.

#### VI. SHAREHOLDING PATTERN AS ON 31ST MARCH 2010:

Particulars	Number of Shares	%age of Paid up equity	Shares Pledged or Otherwise Encumbered	
			Number	%age
<b>A. PROMOTERS</b>				
a. Indian	49,867,958	68.76	-	-
b. Foreign	Nil	-	-	-
Sub Total A	49,867,958	68.76	-	-
<b>B. PUBLIC</b>			N/A	N/A
<b>1. Institutions</b>				
a. Mutual Funds/ UTI	352,207	0.49		
b. Financial Institutions/ Banks	24,180	0.03		
c. Foreign Institutional Investors	4,713,698	6.50		
Sub-Total (B-1)	5,090,085	7.02		
<b>2. Non- institutions</b>				
a. Bodies Corporate	2,540,947	3.50		
b. Individual	10,074,246	13.89		
c. Others				
i. NRI	1,310,889	1.81		
ii. OCB	2,030,965	2.80		
iii. Clearing Members	65,229	0.09		
iv. HUF	1,547,926	2.13		
Sub-Total (B-2)	17,570,202	24.23		
TOTAL B	22,660,287	31.24		
TOTAL	72,528,245	100.00		

#### DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010

Range (Number of Shares)	Shareholders		Shares	
	Nos.	%age	Nos.	%age
1-50	3,919	17.23	109,422	0.15
51-100	3,010	13.23	272,658	0.38
101-500	12,634	55.54	3,154,737	4.35
501-1000	1,717	7.55	1,304,378	1.80
1001-5000	1,181	5.19	2,472,226	3.41
5001-10000	143	0.63	10,50,535	1.45
10001 & above	142	0.62	64,164,289	88.47
Total	22,746	100.00	72,528,245	100.00

As on 31st March 2010, 13170 Shareholders, out of total of 22,746, holding 66,259,603 shares forming 91.36% of the total paid up capital of the Company held shares in dematerialized form.

#### INVESTOR SERVICES:

Since 1st April, 2003 all the share transfers and related operations – both for physical as well as in demat mode, have been outsourced to:

M/s Abhipra Capital Ltd.  
 Ground Floor, Abhipra Complex,  
 Dilkhush Industrial Area, A-387,  
 G. T. Karnal Road, Azadpur, Delhi - 110033  
 Tel: 011 - 4239-0708, 4239-0725, 4239-0909  
 Fax: 011 - 2721-5530

Any correspondence pertaining to any shares related matter can also be made at the dedicated Shares Department of the Company at:

Transport Corporation of India Ltd.  
 Corporate Office:  
 TCI House, 69 Institutional Area  
 Sector-32, Gurgaon - 122207  
 Tel. 0124 - 238-1603 to 07 Fax. 0124- 238-1611  
 e-mail: ak.bansal@tcil.com, secretarial@tcil.com  
 Website: http://www.tcil.com

## DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

It is hereby certified that the members of the Board of Directors of the Company and the Senior Management Personnel have affirmed the compliance with the Code of Conduct adopted by the Company in terms of clause 49(1)(D)(ii) of the Listing Agreement.

For Transport Corporation of India Limited

Place: Gurgaon

D.P. Agarwal

Date: 19th May 2010

Vice Chairman Managing Director

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Transport Corporation of India Ltd. during the year ended 31st March 2010, in accordance with the provisions of Clause 49 of the Listing Agreements executed by the Company with Stock Exchanges where equity shares of the Company are listed.

The compliance of conditions of Corporate Governance is the responsibility of the Company. Our examination has been limited to the procedures adopted by the Company and implementation thereof for ensuring proper compliance of the conditions of Corporate Governance. Our examination may not be construed as an audit or an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state such compliance of conditions of Corporate Governance is not an assurance on the future viability of the Company or the efficiency or effectiveness with which the affairs of the Company have been conducted.

Camp : Gurgaon

For M/s R S Agarwala & Co.

Date : 19th May 2010

Chartered Accountants

R.S. Agarwala

Partner

## AUDITORS' REPORT

TO THE MEMBERS OF TRANSPORT CORPORATION OF INDIA LTD.

We have audited the attached Balance Sheet of Transport Corporation of India Ltd. as at 31st March 2010, the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date in which are incorporated the audited accounts of the TCI Seaways division and the branches in Nepal as audited by other auditors.

1. 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 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 (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure, referred to in paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of 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 our examination of the books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Branch Auditors' Report has been forwarded to us and appropriately dealt with.
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and returns from the branches.
  - iv. In our opinion, the Profit and Loss Account, the Balance Sheet and the Cash Flow Statement, comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
  - v. On the basis of written representations received from the directors as on 31st March 2010 and taken on record by the Board of Directors none of the directors is disqualified as on 31st March, 2010 from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and accounting policies 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:
    - a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2010;
    - b) In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date and
    - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Camp : Gurgaon

Date : 19th May 2010

For R S Agarwala & Co.  
Chartered Accountants  
Firm's Regn. No. 304045E

R.S. Agarwala  
Partner  
Membership No. F-5534



**Annexure to Auditors' Report referred to in paragraph 3 of our report of even date:**

1. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets. We are informed that a test physical verification of these assets was carried out by the management during the year and no material discrepancies were noticed.
2. During the year the Company has not disposed off a substantial part of its fixed assets.
3. Physical verification was conducted by the management in respect of inventories at reasonable intervals. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification. The procedures followed by the management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
4. (a) The Company has during the year granted unsecured interest free loans to six wholly owned subsidiaries. Interest bearing loan has been given to one company, which has been repaid during the year and also to one joint venture company. All the above companies are covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year aggregate to Rs. 704 lacs and the year end balances to Rs. 1759 lacs. There are no stipulations as to the dates for repayment of principal and interest. However interest where applicable is being charged thereon.  
 (b) In our opinion, the rate of interest and other terms and conditions of above loans are not prima facie prejudicial to the interest of the Company.  
 (c) As informed the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
5. There is an adequate internal control system commensurate with the size and nature of the Company's business for the purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system, nor we have been informed of any such instance.
6. (a) To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register in pursuance of Section 301 of the Act, have been so entered.  
 (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
7. The Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed thereunder with regard to deposits accepted from the public.
8. The Company has appointed a firm of Chartered Accountants at the TCI Shipping Division to do the internal audit regularly. At other places the in-house internal audit department of the company conducted internal audit. The internal audit system is being reviewed and strengthened to commensurate with the size and nature of Company's business.
9. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act in respect of Electricity generation. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of such records.
10. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty and other material statutory dues as applicable with the appropriate authorities.  
 (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, trade tax and employees' state insurance as at March 31, 2010 which have not been deposited on account of a dispute and adjusted with the refunds due to the extent of Rs. 1117.75 lacs, are as under:

Nature of Dues	Amount (Rs. in lacs)	Forum where pending
Income Tax	304.38	Commissioner (Appeals)
Income Tax	1236.93	Income-tax Appellate Tribunal
Trade Tax	73.88	Trade Tax Officer
Trade Tax	4.23	Joint/ Assistant Commissioner, Sales Tax
Trade Tax	5.03	High Court
Stamp Duty	39.69	Chief Controlling Revenue Authority
Employees' State Insurance	29.00	High Court

11. The Company has no accumulated losses as at March 31, 2010 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
12. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
13. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
15. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. The investments in shares, securities, debentures etc. are held by the Company in its own name.
16. In our opinion, and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions, are not prima facie prejudicial to the interest of the Company.
17. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
18. 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, funds raised on short-term basis have not been used for long-term investment.
19. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
20. No security or charge has been created in respect of debentures issued.
21. The Company has not raised any money by public issues during the year.
22. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For R S Agarwala & Co.  
 Chartered Accountants  
 Firm's Regn. No. 304045E

Camp : Gurgaon  
 Date : 19th May 2010

R. S. Agarwala  
 Partner

**BALANCE SHEET AS AT 31ST MARCH 2010**

Income	Schedule	31st March 2010		31st March 2009
		Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>				
Shareholders' Funds				
Capital	1	145,056,490		145,011,280
Reserves and Surplus	2	3,085,067,242		2,714,545,618
			3,230,123,732	2,859,556,898
Loan Funds				
Secured Loans	3	2,480,690,546		2,223,026,532
Unsecured Loans	4	235,655,820		105,993,120
			2,716,346,366	2,329,019,652
Deferred Tax Liability	5		292,192,000	283,028,000
<b>Total Funds Employed</b>			<b>6,238,662,098</b>	<b>5,471,604,550</b>
<b>APPLICATION OF FUNDS</b>				
Fixed Assets	6			
Gross Block		4,417,847,572		4,132,295,974
Less: Depreciation		1,474,344,913		1,268,832,756
Net Block		2,943,502,659		2,863,463,218
Capital Work-in-Progress		149,402,971		119,340,621
			3,092,905,630	2,982,803,839
Investments	7		357,110,319	185,666,435
Foreign Currency Monetary Item Translation Difference Account			(2,317,150)	10,276,100
Current Assets, loans And Advances				
Inventories	8	8,471,466		9,498,132
Sundry Debtors	9	2,469,069,228		2,066,266,314
Cash and Bank Balances	10	205,094,302		106,688,769
Loans and Advances	11	1,108,830,693		862,849,862
			3,791,465,689	3,045,303,077
Less: Current Liabilities and Provisions				
Liabilities	12	593,394,550		415,567,556
Provisions	13	407,107,840		336,877,345
			1,000,502,390	752,444,901
<b>Net Current Assets</b>			<b>2,790,963,299</b>	<b>2,292,858,176</b>
<b>Total Assets (net)</b>			<b>6,238,662,098</b>	<b>5,471,604,550</b>

Schedules referred to above form part of the Balance Sheet.

In terms of our Report of even date

For and on behalf of the Board

 For R S Agarwala & Co.  
Chartered Accountants

 S. M. Datta  
Chairman

 O. Swaminatha Reddy  
Director

 K. S. Mehta  
Director

 D. P. Agarwal  
Vice Chairman &  
Managing Director

 R.S. Agarwala  
Partner (Membership No. F-5534)

 Vineet Agarwal  
Executive Director

 Chander Agarwal  
Executive Director

 A. K. Bansal  
Group CFO &  
Company Secretary

 N. K. Baranwal  
Sr. VP-Group  
Accounts & Audit

 Camp : Gurgaon,  
Date : 19th May 2010

 Place : Gurgaon,  
Date : 19th May 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

	Schedule	31st March 2010	31st March 2009
		Rupees	Rupees
<b>INCOME</b>			
Freight	14	13,767,031,588	12,255,194,289
Sales & Services	15	739,598,757	724,302,029
Other Income	16	39,556,636	64,722,766
		<b>14,546,186,981</b>	<b>13,044,219,084</b>
<b>EXPENDITURE</b>			
Cost of Goods Sold	17	147,604,730	229,993,453
Operating Expenses	18	11,661,866,342	10,201,079,355
Personnel Expenses	19	718,003,914	674,019,957
Administrative Expenses	20	606,873,654	653,782,102
Repairs and Maintenance Expenses	21	272,288,005	295,387,648
Interest (Net)	22	195,610,015	240,677,097
Depreciation (Net - Note 5 on schedule 23)		267,631,476	259,826,554
		<b>13,869,878,136</b>	<b>12,554,766,166</b>
<b>Profit Before Tax and Exeptional Items</b>		<b>676,308,845</b>	<b>489,452,918</b>
Exeptional Items		29,255,340	40,000,000
<b>Profit Before Tax</b>		<b>647,053,505</b>	<b>449,452,918</b>
Provision For Tax - Current		203,400,000	147,170,000
- Deferred		9,164,000	189,000
- Fringe Benefit		-	18,674,000
<b>Profit After Tax</b>		<b>434,489,505</b>	<b>283,419,918</b>
Taxes for earlier years		(4,679,545)	(231,258)
Balance brought forward from Previous Year		75,815,857	72,135,409
<b>Balance Available For Appropriation</b>		<b>505,625,817</b>	<b>355,324,069</b>
<b>APPROPRIATIONS:</b>			
Interim Dividend paid		29,011,416	-
Proposed Dividend		29,011,298	43,506,681
Tax on Dividend		9,748,896	7,394,590
Tonnage Tax Reserve		12,500,000	16,000,000
General Reserve		350,000,000	212,606,941
Balance Carried to Balance Sheet		75,354,207	75,815,857
		<b>505,625,817</b>	<b>355,324,069</b>
<b>Earning per Share - Basic and Diluted (Note 9 on Schedule 23)</b>		<b>5.93</b>	<b>3.91</b>

Schedules referred to above form part of the Profit and Loss Account

In terms of our Report of even date

For and on behalf of the Board

 For R S Agarwala & Co.  
Chartered Accountants

 S. M. Datta  
Chairman

 O. Swaminatha Reddy  
Director

 K. S. Mehta  
Director

 D. P. Agarwal  
Vice Chairman &  
Managing Director

 R.S. Agarwala  
Partner (Membership No. F-5534)

 Vineet Agarwal  
Executive Director

 Chander Agarwal  
Executive Director

 A. K. Bansal  
Group CFO &  
Company Secretary

 N. K. Baranwal  
Sr. VP-Group  
Accounts & Audit

 Camp : Gurgaon,  
Date : 19th May 2010

 Place : Gurgaon,  
Date : 19th May 2010

## SCHEDULES TO THE ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(1) SHARE CAPITAL</b>		
Authorised:		
100,000,000 Equity Shares of Rs. 2 each	200,000,000	200,000,000
500,000 Preference Shares of Rs. 100 each	50,000,000	50,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paid up:		
Equity Shares of Rs. 2 each fully paid up:		
21,081,910 Shares paid in cash	42,163,820	42,118,610
51,446,335 Shares allotted for consideration other than cash as per the Schemes of Arrangement/ Amalgamation duly approved by the Hon'ble Andhra Pradesh High Court	102,892,670	102,892,670
	145,056,490	145,011,280

-During the year 22605 shares of Rs. 2 each have been issued on vesting of employees' stock options.

-The company has granted options under the Employees' Stock Options Scheme and 178,000 options are outstanding as on 31st March 2010. Of this 62,400 options, 72,400 options and 43,200 options will vest in the year 2010-11, 2011-12 and 2012-13 respectively.

	At 1st April 2009	Additions	Deductions		
<b>(2) RESERVES &amp; SURPLUS</b>					
Capital Reserves:					
Revaluation Reserve	145,574,019	-	37,976 (a)	145,536,043	145,574,019
Share Premium	628,997,290	2,034,450 (b)	-	631,031,740	628,997,290
Employees' Stock Option		7,549,235 (c)	1,062,435 (d)	6,486,800	-
Capital Redemption Reserve	19,400,000	-	-	19,400,000	19,400,000
Others	407,058,452	-	-	407,058,452	407,058,452
				1,209,513,035	1,201,029,761
Revenue Reserves:					
General Reserve	1,300,000,000	350,000,000 (e)		1,650,000,000	1,300,000,000
Reserve under section 33AC of the Income Tax Act, 1961	47,700,000	-	-	47,700,000	47,700,000
Tonnage Tax Reserve	90,000,000	12,500,000 (e)	-	102,500,000	90,000,000
Profit and Loss Account				75,354,207	75,815,857
				1,875,554,207	1,513,515,857
				3,085,067,242	2,714,545,618

(a) Transferred to Profit and Loss Account being depreciation provided on revalued amount

(b) On vesting of stock options

(c) In respect of options granted under the Employees' Stock Option Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options (based on market value of share on the date of grant of options minus option price) is accounted as deferred employee compensation, which is amortised on a straight line basis over the vesting period. Consequently salaries, wages and bonus includes Rs. 3,252,198, being amortisation of deferred employee compensation.

(d) Transferred to Share Premium on vesting of stock options during the year.

(e) Transferred from Profit and Loss Account.

## SCHEDULES TO THE ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(3) SECURED LOANS</b>		
Term Loans from Banks:		
Against hypothecation of Motor Trucks/Trailers/ Axles/ Motor Cars/Containers and all movable assets and book debts of Wind Mill projects and equitable mortgage of specified properties of the company and of a wholly owned subsidiary	745,631,713	596,437,956
(Repayable within one year Rs. 186,804,402 - Previous year Rs. 182,900,152)		
Foreign currency loans secured by first charge on one ship, and all moveable/ immovable assets and book debts of Wind Mill projects and equitable mortgage of specified properties	333,428,171	450,758,315
(Repayable within one year Rs. 150,178,373 - Previous year Rs. 158,322,398)		
Term Loans from Others:		
Secured by equitable mortgage of specified immovable properties and hypothecation of Motor Trucks and Containers and all movable/ immovable assets and book debts of Wind Mill Projects.	100,580,552	78,857,381
(Repayable within one year Rs. 32,554,817 - Previous year Rs. 30,960,178)		
Secured against equipments under Hire Purchase Contracts	887,754	
Less: Hire Charges allocable to future installments	(219,909)	667,845
(Repayable within one year Rs. 667,845 - Previous year Rs. 1,045,080)		
Working Capital Loans from Banks:		
Against hypothecation of Book Debts, Inventories, Fixed Deposit Receipts and equitable mortgage of specified immovable properties	1,300,382,265	1,095,259,955
	2,480,690,546	2,223,026,532

In addition, loans to the extent of Rs. 19,702 lacs (previous year Rs. 17,504 lacs) are also guaranteed by some of the Directors.

<b>(4) UNSECURED LOANS</b>		
Fixed Deposits (a)	5,655,820	5,993,120
(Repayable within one year Rs.2,113,000 - Previous year Rs.4,257,800)		
Short Term Loans and Advances		
From Banks:		
Commercial Paper	-	100,000,000
From Others:		
Redeemable Non-convertible Debentures	230,000,000	-
	235,655,820	105,993,120

(a) Includes Rs.86,000 from a director (Previous year Rs. 86,000)

	At 1st April 2009	Current year		
<b>(5) DEFERRED TAX LIABILITY</b>				
Deferred Tax ( Asset ) Liability				
Difference between book and tax depreciation	288,146,000	10,391,000	298,537,000	288,146,000
Disallowances under Income Tax Act	(4,892,000)	(129,000)	(5,021,000)	(4,892,000)
Other Items	(226,000)	(1,098,000)	(1,324,000)	(226,000)
			292,192,000	283,028,000



## SCHEDULES TO THE ACCOUNTS

## (6) FIXED ASSETS

Description of Assets	AT COST OR VALUATION				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions during the year	Deductions during the year	Balance	Up to 31.03.2009	For the Year	Adjustment on Deductions	Total	31st March 2010	31st March 2009
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	680,801,556	16,105,610	106,035,534(d)	590,871,632	-	-	-	-	590,871,632	680,801,556
Buildings (c)	436,309,175	198,429,406(e)	26,826,861(d)	607,911,720	67,388,436	7,513,662	5,571,594(d)	69,330,504	538,581,216	368,920,739
Ships	709,771,798	-	52,264,871(f)	657,506,927	201,166,319	32,875,346	-	234,041,665	423,465,262	508,605,479
Motor Trucks	1,097,298,461	227,046,686	38,229,664	1,286,115,483	666,641,584	132,825,526	34,900,266	764,566,844	521,548,639	430,656,877
Vehicles	91,129,333	18,836,527	10,514,558	99,451,302	23,707,772	8,172,364	5,532,953	26,347,183	73,104,119	67,421,561
Plant and Machinery	599,507,598	25,486,037	1,325,631	623,668,004	124,945,656	33,722,470	774,618	157,893,508	465,774,496	474,561,942
Computers	205,462,532	37,015,837	12,719,782	229,758,587	87,266,836	30,313,345	10,851,007	106,729,174	123,029,413	118,195,696
Containers	135,572,122	1,294,207	6,851,250	130,015,079	19,083,015	6,467,206	4,229,415	21,320,806	108,694,273	116,489,107
Furniture & Fittings	111,346,097	8,178,794	839,291	118,685,600	50,397,485	6,716,662	277,802	56,836,345	61,849,255	60,948,612
Office Equipments	60,470,060	8,565,626	52,437	68,983,249	26,462,117	8,865,438	19,640	35,307,915	33,675,334	34,007,943
Weighing Scales & Chain Pulley	4,627,242	252,747	-	4,879,989	1,773,536	197,433	-	1,970,969	2,909,020	2,853,706
Capital Work-in-Progress	119,340,621	122,062,399	92,000,049	149,402,971	-	-	-	-	149,402,971	119,340,621
<b>TOTAL</b>	<b>4,251,636,595</b>	<b>663,273,876</b>	<b>347,659,928</b>	<b>4,567,250,543</b>	<b>1,268,832,756</b>	<b>267,669,452</b>	<b>62,157,295</b>	<b>1,474,344,913</b>	<b>3,092,905,630</b>	<b>-</b>
PREVIOUS YEAR	3,931,505,301	417,202,612	97,071,318	4,251,636,595	1,055,571,867	259,864,530	46,603,641	1,268,832,756	-	2,982,803,839

## NOTES:

- (a) A part of the Land & Buildings were revalued during the year ended 31st March 1999 and the resultant increase in the value of assets by Rs. 144,985,578 and Rs. 1,006,193 respectively aggregating Rs. 145,991,771 was transferred to Capital Reserve.
- (b) Depreciation for the year includes Rs.37,976 in respect of the above revaluations.
- (c) Buildings include those on leasehold land.
- (d) Includes land of the value of Rs. 106,035,534 and buildings of the value of Rs. 20,909,620 transferred to partnership firms as Company's capital contribution (Refer note 4 of Schedule 23)
- (e) Includes interest of Rs. 3,521,199 capitalised
- (f) Includes Rs. 15,622,061 being exchange gain on repayment of related foreign currency borrowings during the year and Rs. 36,642,810 on restatement of the said borrowings (Refer note 3 of Schedule 23)

	31st March 2010		31st March 2009	
	Quantity (Nos.)	Rupees	Quantity (Nos.)	Rupees
<b>(7) INVESTMENTS (At Cost)</b>				
Long Term Investments				
Trade:				
Fully Paid Equity Shares of Joint Stock Companies:				
Unquoted -				
Joint Ventures:				
Transystem Logistics International Pvt Ltd. of Rs. 10 each	3,920,000	39,200,000	3,920,000	39,200,000
Ann-Sofie Scan ApS, Denmark (equivalent to DKK 3,824,750)	-	28,693,926	-	28,693,926
Subsidiaries:				
TCI Holdings B.V., Netherlands Shares of Euro 1 each (including Euro 50,000				

## SCHEDULES TO THE ACCOUNTS

	31st March 2010		31st March 2009	
	Quantity (Nos.)	Rupees	Quantity (Nos.)	Rupees
<b>(7) INVESTMENTS (At Cost) (Contd.)</b>				
TCI Global (Sanghai) Co. Ltd., China (equivalent to Yuan 2,054,335.12, including equivalent to Yuan 1,295,670.11 allotted during the year)	-	14,328,986	-	5,420,685
Transport Co of India (Mauritius) Ltd., Mauritius Shares of Mauritius Rupees 10 each	2,500	37,250	2,500	37,250
TCI Developers Ltd. Shares of Rs. 10 each	100,000	1,000,000	100,000	1,000,000
TCI Infrastructure Ltd. Shares of Rs. 10 each	100,000	1,000,000	100,000	1,000,000
TCI Properties (Pune) Ltd. Shares of Rs. 10 each	50,000	500,000	50,000	500,000
TCI Properties (West) Ltd. Shares of Rs. 10 each	2,610,000	26,100,000	2,610,000	26,100,000
TCI Distribution Centres Ltd. Shares of Rs. 10 each (allotted during the year)	143,700	1,437,000	-	-
Infinite Logistics Solutions Pvt. Ltd. Shares of Rs. 10 each (acquired during the year)	1,020,000	10,200,000	-	-
TCI Express Pte. Ltd., Singapore Shares of SG\$ 1 each (allotted during the year)	38,000	1,304,358	-	-
TCI Global Holdings (Mauritius) Ltd. Shares of US\$ 10 each (allotted during the year)	51,000	23,532,375	-	-
PT.TCI Global, Indonesia Shares of Indonesian Rupiah 908,300 each (*)	-	-	2,500	9,966,250
TCI Global Logistik GmbH, Germany (equivalent to Euro 25,000) (*)	-	-	-	1,692,375
TCI Global (HKG) Ltd., Hong Kong Shares of HK\$ 1 each (*)	-	-	1,350,000	8,109,250
TCI Global Pte. Ltd., Singapore Shares of SG\$ 1 each (*)	-	-	690,002	20,693,025
TCI Global (Thailand) Co. Ltd., Thailand Shares of Baht 100 each (*)	-	-	20,000	2,706,718
Others:				
XPS Cargo Services Ltd of Rs. 10 each	300,000	3,000,000	300,000	3,000,000
		<b>155,785,583</b>		<b>150,038,979</b>
(*): transferred during the year to subsidiary/ step-down subsidiary				
Fully Paid Preference Shares in a subsidiary				
TCI Distribution Centers Ltd. 11% Redeemable non-cumulative preference shares of Rs. 100 each (allotted/ acquired during the year)	622,000	62,200,000	-	-
Capital in Partnership Firms				

## SCHEDULES TO THE ACCOUNTS

	31st March 2010		31st March 2009	
	Quantity (Nos.)	Rupees	Quantity (Nos.)	Rupees
<b>(7) INVESTMENTS (At Cost) (Contd.)</b>				
Non-Trade				
Quoted -				
Infosys Technologies Ltd. of Rs. 5 each (1200 shares sold during the year)	1,200	1,852,020	2400	3,704,039
Edelweiss Capital Ltd of Rs. 10 each	982	1,243,342	982	1,243,342
Reliance Industries Ltd. of Rs. 10 each (812 shares allotted on conversion of equity shares in Reliance Petroleum Ltd. and 1812 shares received as bonus during the year)	3,624	2,752,134	1000	1,720,233
Reliance Petroleum Ltd. of Rs. 10 each (converted in to 812 equity shares in Reliance Industries Ltd.)	-	-	13000	1,032,537
Mutual Funds' Units:				
UTI Balanced Fund	3,105	67,655	3,105	67,655
JM Basic Fund	149,753	5,000,000	149,753	5,000,000
SBI Magnum Equity Fund (Redeemed during the year)		-	148,368	5,000,000
ICICI Prudential Infrastructure Fund (Redeemed during the year)	-	-	280,426	5,000,000
Reliance Diversified Power Sector Fund (Redeemed during the year)	-	-	98,985	5,000,000
		10,915,151		27,767,806
Share Application Money pending allotment - since allotted		110,000		7,859,650
		357,110,319		185,666,435
Market value of quoted investments		10,260,031		15,329,815
Note: The diminution in the market value of quoted investments is considered temporary				
Investments acquired and sold during the year:				
Subsidiary:				
TCI Global Pte. Ltd., Singapore(*)	191,000	6,555,292	-	-
Mutual Funds' Units - Quoted:				
LIC Mutual Fund Liquid Fund	-	-	194,500,000	1,945,000,000
Reliance Mutual Fund - Money Manager Fund	-	-	199,864	200,000,000
SBI Liquid Fund Liquid Plus	-	-	14,992,504	150,000,000
Fully Paid Equity Shares - Quoted				
Reliance Industries Ltd.	-	-	300	355,820
Gati Limited	-	-	596	20,925

(\*): sold/ transferred during the year to a subsidiary/ step-down subsidiary

## SCHEDULES TO THE ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(8) INVENTORIES</b>		
(As taken, valued and certified by the Management)		
At lower of cost and net realisable value		
Diesel and Petrol	-	1,802,990
Motor Parts, Lubricants and Others	-	254,035
Ship fuels & consumables	8,471,466	7,441,107
	8,471,466	9,498,132

<b>(9) SUNDRY DEBTORS (Unsecured)</b>		
Outstanding for more than six months -		
Considered Good	74,581,775	79,867,819
Considered Doubtful	1,849,190	6,748,322
Others - Considered Good	2,394,487,453	1,986,398,495
	2,470,918,418	2,073,014,636
Less: Provisions for bad and doubtful debts	(1,849,190)	(6,748,322)
	2,469,069,228	2,066,266,314
Due from a private company (joint venture) in which a director of the company is a director/ member:		
Transystem Logistics International Pvt. Ltd.	33,921,670	21,435,829

<b>(10) CASH AND BANK BALANCES</b>		
Cash in Hand	1,038,657	917,529
Cash and Cheques in Transit	2,917,848	-
With Scheduled Banks:		
In Current Accounts	167,257,096	75,502,573
In Deposit Accounts (a)	28,268,442	25,934,002
In Unpaid Dividend Accounts	5,384,321	4,317,271
With Other Banks :		
In Current Accounts		
Maximum Balance		
Andaman & Nicobar State Co-operative Bank	179,671	52,511
Nepal Bank Ltd., Nepal	12,919	12,919
Royal Bank of Scotland	44,180,205	-

a) Some of the fixed deposit receipts are deposited with Banks against borrowings and guarantees issued.

## SCHEDULES TO THE ACCOUNTS

		31st March 2010	31st March 2009
		Rupees	Rupees
<b>(11) LOANS AND ADVANCES ( Unsecured-considered good)</b>			
Loans	-	47,092,013	
Loans and Advances to Subsidiary Companies	166,535,300	116,979,288	
Advances to / Due from Joint Venture Companies	9,378,720	-	
Advances recoverable in cash or in kind or for value to be received	211,325,124	100,190,602	
Advances and Deposits with Landlords	87,564,823	84,216,677	
Deposits with Others	78,473,383	68,258,756	
Advances for Capital Expenditure	46,768,923	31,396,391	
Tax Deducted at Source	508,784,420	414,716,135	
	<b>1,108,830,693</b>	<b>862,849,862</b>	
Due from Officers of the Company	6,062,468	5,176,626	
Maximum Due During the Year	6,699,698	5,644,062	
<b>Loans and Advances due from Associate and Joint Venture Companies:</b>	<b>Amount outstanding Rupees</b>	<b>Maximum balance during the year Rupees</b>	
XPS Cargo Services Ltd.	14,750,000	14,750,000	
TCI India Ltd.	-	2,100,000	
Ann-Sofie Scan ApS, Denmark	9,378,720	9,378,720	

<b>(12) LIABILITIES</b>			
Sundry Creditors	484,935,549	327,666,298	
Customers' Credit Balances	2,321,587	4,733,920	
Overdrawn Bank Balances	445,951	1,083,137	
Other Liabilities	54,041,143	31,296,793	
Due to Directors	643,605	368,000	
Interest Accured on Loans	11,392,716	13,241,700	
Sundry Deposits	34,229,678	32,860,439	
Unpaid/Unclaimed Dividend	5,384,321	4,317,269	
	<b>593,394,550</b>	<b>415,567,556</b>	

There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund

<b>(13) PROVISIONS</b>			
Taxation (net of payments)	336,522,786	223,993,795	
Gratuity	12,694,545	6,889,545	
Derivative Contracts	-	40,000,000	
Leave Encashment	24,060,797	15,097,221	
Proposed Dividend	29,011,298	43,503,384	
Tax on Dividend	4,818,414	7,393,400	
	<b>407,107,840</b>	<b>336,877,345</b>	

## SCHEDULES TO THE ACCOUNTS

		31st March 2010	31st March 2009
		Rupees	Rupees
<b>(14) FREIGHT</b>			
Freight, Miscellaneous Charges etc. (a)			
(Tax Deducted Rs. 110,139,625 Previous Year Rs.175,542,381)	13,159,730,336	11,608,209,643	
Shipping Freight and Charter Hire			
(Tax Deducted Rs. 2,551,435 Previous Year Rs. 2,616,305)	607,301,252	646,984,646	

(a) Includes Demurrage Rs. 24,527,676 Previous Year Rs. 28,485,538)

<b>(15) SALES &amp; SERVICES</b>			
Sales	224,418,776	306,456,887	
Logistics and Other Services( Tax Deducted Rs. 16,445,009 Previous year- Rs.13,348,115)	511,440,844	413,291,084	
Clearing and Forwarding Services	3,237,597	4,036,168	
Bus Operations	501,540	517,890	
	<b>739,598,757</b>	<b>724,302,029</b>	

<b>(16) OTHER INCOME</b>			
Rent (Tax deducted Rs. 509,854 Previous Year Rs.6,320,129) (a)	3,167,989	35,072,183	
Dividends on Investments :			
Long Term	25,784,518	12,069,948	
Short Term	-	2,039,164	
Share of profit in Partnership Firms (b)	1,154,431	-	
Miscellaneous Income (Tax deducted Rs. 300 Previous year Rs. 3,000)	2,187,862	1,025,601	
Profit on sale of Investments (net)			
Long Term	1492526	177,366	
Short Term	(408,348)	1,084,178	1,811
Unspent Liabilities/Excess Provisions written back	46,446	12,545,394	
Bad Debts and Irrecoverable Balances written off earlier, realised	6,131,212	1,791,299	
	<b>39,556,636</b>	<b>64,722,766</b>	

(a): Includes for earlier years Rs. 226,840 (Previous year - Rs. 200,488)

(b): Refer note 4 on Schedule 23

<b>(17) COST OF GOODS SOLD</b>			
Purchases	145,547,705	230,545,743	
Add: Decrease/(Increase) in Closing Stock	2,057,025	(552,290)	
	<b>147,604,730</b>	<b>229,993,453</b>	



## SCHEDULES TO THE ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(18) OPERATING EXPENSES</b>		
Freight	9,589,312,791	8,365,346,438
Vehicles' Trip Expenses	1,014,723,282	892,239,361
Tyres & Tubes etc.	63,817,603	45,575,863
Warehouse Rent	104,115,442	96,927,934
Warehouse Expenses	181,118,823	115,657,826
Other Expenses	221,643,823	227,858,316
Claims for loss & damages (Net)	10,610,577	17,505,026
Commission	7,079,894	8,215,297
Vehicles' Taxes	42,356,576	38,794,394
Vehicles' and Ship Insurance	16,423,473	19,503,092
Power, Fuel and Water Charges	119,574,190	116,802,571
Stores & Spares Parts Consumed	41,927,048	32,330,992
Port and Survey Expenses	25,785,531	23,505,113
Stevedoring and Cargo Expenses	127,087,405	105,390,376
Wages, Bonus and Other Expenses - Floating Staff	82,443,968	85,020,382
Contribution to Provident & Other Funds -Floating Staff	406,932	381,932
Clearing and Forwarding Expenses	13,438,984	10,024,442

<b>(19) PERSONNEL EXPENSES</b>		
Salaries, Wages & Bonus	549,301,299	519,235,311
Gratuity	17,980,000	13,770,000
Contribution to Provident & Other Funds	45,756,969	41,700,838
Contribution to Employees' State Insurance	13,955,046	12,211,957
Staff Welfare & Development Expenses	91,010,600	87,101,851
	<b>718,003,914</b>	<b>674,019,957</b>

<b>(20) ADMINISTRATIVE EXPENSES</b>		
Rent (a)	122,856,512	123,767,546
Rates and Taxes	9,964,864	6,635,646
Insurance	5,433,161	4,876,623
Telephone Expenses	45,911,773	61,454,673
Printing and Stationery	29,432,459	31,635,677
Traveling Expenses	95,248,638	100,764,359
Legal Expenses	5,694,947	8,275,210
Postage and Telegram	5,569,787	6,452,117
Electricity Expenses	25,960,315	28,337,887
Bank Charges	14,512,666	16,711,271
Advertisement Expenses	7,732,414	7,860,568

## SCHEDULES TO THE ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(20) ADMINISTRATIVE EXPENSES (Contd.)</b>		
Miscellaneous Expenses (b)	153,615,215	179,964,582
Remuneration to Directors		
Salaries	26,795,000	21,308,871
Commission	19,500,000	11,250,000
Fees	435,000	335,000
Remuneration to Auditors		
Audit fees	591,486	620,865
Tax audit fees	205,931	215,129
Other Services	4,520	-
Sales Tax (Net)	34,400	13,764
Lease Rent Payments	2,233,783	2,972,609
Bad Debts and Irrecoverable Balances Written Off (Net) (c)	9,293,735	30,986,865
Agricultural Expenses (Net)	193,089	221,997
Charity & Donations	17,726,202	2,354,898
Loss on sale/discard of Fixed Assets (net)	7,598,558	3,538,834
Exchange Rate Difference (net)	329,199	3,227,111

- (a): Includes for earlier years Rs. nil (Previous year - Rs. 158,000) and Rs. 2,139,000 paid to partnership firms in which company is partner (Refer note 4 on Schedule 23)
- (b): Includes Rs. 1,200,000 to a director for services of a professional nature (Previous year- Rs 1,200,000) and professional fee of Rs. 110,300 paid to a firm in which a director of the company is a partner (Previous year - Rs. Nil)
- (c): Includes provision Rs. 1,849,190 (Previous year - Rs. 6,748,322)

<b>(21) REPAIRS &amp; MAINTENANCE EXPENSES</b>		
Motor Trucks	148,035,255	126,238,474
Other Vehicles	26,395,705	27,076,293
Ships	25,838,979	17,864,666
Dry Docking Expenses	18,409,302	69,624,532
Plant & Machinery	16,445,815	19,867,815
Computers	30,438,391	20,594,473
Buildings	6,724,558	14,121,395
	<b>272,288,005</b>	<b>295,387,648</b>

<b>(22) INTEREST</b>		
Fixed Loans (a)	100,295,779	116,029,277
Fixed Deposits	621,104	447,082
Others	97,421,352	134,356,931
	<b>198,338,235</b>	<b>250,833,290</b>
Less: Interest Received (Tax deducted Rs. 246,327 Previous year Rs. 2,197,546)	(2,728,220)	(10,156,193)
	<b>195,610,015</b>	<b>240,677,097</b>

- (a): Net of Rs. Nil received on interest rate swap coupon settlement (Previous year - Rs. 3,000,000)

## SCHEDULES TO THE ACCOUNTS

	2009-10	2008-09
	Rupees	Rupees
<b>(23) NOTES ON ACCOUNTS</b>		
1. Total Remuneration to Directors:		
Salaries	26,795,000	21,308,871
Commission	19,500,000	11,250,000
Money Value of perquisites	14,078,533	11,318,699
Contribution to Provident / Superannuation Funds	2,995,200	2,401,064
Directors' Fees	435,000	335,000
2. Computation of net profit in accordance with Section 309 (5) of the Companies Act, 1956		
Profit before tax	647,053,505	449,452,918
Add:		
Depreciation as per accounts	267,631,476	259,826,554
Directors' Remuneration	63,368,733	46,278,634
	331,000,209	306,105,188
	978,053,714	755,558,106
Less:		
Depreciation under section 350	267,631,476	259,826,554
Capital profit on sale of Fixed Assets	53,726	4,172,737
Capital profit on sale of Investments	1,084,178	179,177
	268,769,380	264,178,468
Net Profit computed in accordance with section 309 (5)	709,284,334	491,379,638
Commission payable to:		
Managing Director – 2%	14,185,687	9,827,593
Executive Directors – 1% each	14,185,687	9,827,593
Non Executive Directors – 0.5%	3,546,422	2,456,898
Restricted to:		
Managing Director	9,000,000	5,000,000
Executive Directors	9,000,000	5,000,000
Non Executive Directors	1,500,000	1,250,000

The above does not include contribution to gratuity fund and provision for encashable leave, which is actuarially calculated on an overall basis.

- In terms of amendments notified on 31st March 2009 to Accounting Standard 11 (AS 11), the exchange gain of Rs. 156.22 lacs on repayment of foreign currency borrowings and of Rs. 366.43 lacs on restatement of such borrowings relating to acquisition of depreciable assets has been credited to the account of such assets. In other cases Rs. 74.55 lacs has been credited and Rs. 51.38 lacs has been amortised out of the Foreign Currency Monetary Item Translation Difference Account. As a result net profit after tax is lower by Rs. 511.81 lacs and fixed assets are lower by Rs. 496.52 lacs.
- For commercial development of certain properties, five partnership firms have been formed during the year with the company holding major share, other partners being wholly owned subsidiaries. The said properties have been transferred as company's capital contribution as per particulars below:

## SCHEDULES TO THE ACCOUNTS

## (23) NOTES ON ACCOUNTS (Contd.)

Particulars	Name of Partnership Firm	Transport Corporation of India Ltd.	TCI Infrastructure Ltd.	TCI Properties (Pune) Ltd.	Total
		Rupees	Rupees	Rupees	Rupees
<b>Capital Contribution</b>					
	TCI Properties (Delhi)	47,316,029	2,500	2,500	47,321,029
	TCI Properties (Guj)	14,100,952	1,000	1,000	14,102,952
	TCI Properties (NCR)	22,019,560	1,000	1,000	22,021,560
	TCI Properties (South)	17,304,883	1,000	1,000	17,306,883
	TCI Warehousing (MH)	26,203,730	1,000	1,000	26,205,730
	Sub Total	126,945,154	6,500	6,500	126,958,154
<b>Share in Profit/ (Loss) during the year</b>					
	TCI Properties (Delhi)	366,749	19	19	366,787
	TCI Properties (Guj)	378,256	27	27	378,310
	TCI Properties (NCR)	99,226	5	5	99,236
	TCI Properties (South)	310,200	18	18	310,236
	TCI Warehousing (MH)	-	-	-	-
	Sub Total	1,154,431	69	69	1,154,569
	Total	128,099,585	6,569	6,569	128,112,723
<b>% share in Profit/ (Loss)</b>					
	TCI Properties (Delhi)	99.9894	0.0053	0.0053	100
	TCI Properties (Guj)	99.9858	0.0071	0.0071	100
	TCI Properties (NCR)	99.991	0.0045	0.0045	100
	TCI Properties (South)	99.9884	0.0058	0.0058	100

- The net depreciation charged for the year is arrived at as follows:

	2009-10	2008-09
	Rupees	Rupees
Depreciation for the year	267,669,452	259,864,530
Deduct:		
Transfer from Capital Reserve on account of depreciation provided on revalued amount	37,976	37,976
Net depreciation charged in Profit & Loss Account	267,631,476	259,826,554

- Exceptional item represents loss on settlement of all outstanding derivative instruments during the year

## SCHEDULES TO THE ACCOUNTS

### (23) NOTES ON ACCOUNTS (Contd.)

#### 7. Related party disclosures

##### a. List of related parties:

i. Key Management Personnel:			
• Mr D.P. Agarwal		• Mr Vineet Agarwal	
• Mr Chander Agarwal		• Mr K Prabhakar	
ii. Relatives of Key management Personnel:			
• Mr Ashok Agarwal (Brother of Mr D.P. Agarwal)		• Mrs Priyanka Agarwal (Wife of Mr.Vineet .Agarwal)	
iii. Associates:			
• TCI Global Logistics Ltd		• TCI Exim Pvt. Ltd.	
• Boruka Finance Corporation of India Ltd		• XPS Cargo Services Ltd	
• TCI Industries Ltd		• Etralog.com Solutions Ltd.	
• Boruka International Pvt. Ltd		• TCI India Ltd	
• TCI Airways Pvt. Ltd		• TCI Distribution Centres Ltd.(Previous year)	
• TCI Express Pte Ltd., Singapore (Previous year)		• TCI Warehousing (MH) – Partnership firm	
• TCI Properties (Guj) – Partnership firm		• TCI Properties (South) – Partnership firm	
• TCI Properties (Delhi) – Partnership firm		• TCI Properties (NCR) – Partnership firm	
iv. Subsidiaries/ Step Down Subsidiaries:			
• PTTCI Global, Indonesia		• TCI Global (HKG) Ltd., Hong Kong	
• TCI Global (Thailand) Co. Ltd., Thailand		• TCI Developers Ltd.	
• TCI Global Pte Ltd., Singapore		• TCI Global Logistik GmbH, Germany	
• TCI Global (Sanghai) Co. Ltd., China		• Transport Co of India (Mauritius) Ltd., Mauritius	
• TCI Holdings Asia Pacific Pte. Ltd., Singapore		• TCI Express Pte. Ltd., Singapore	
• TCI Global Netherlands B.V., Netherlands		• TCI Global (Malaysia) Sdn Bhd, Malaysia	
• TCI Scan Denmark ApS, Denmark		• TCI Global Brazil Logistica Ltda, Brazil	
• TCI Global Holdings (Mauritius) Ltd., Mauritius		• TCI Holdings Netherlands B.V., Netherlands	
• TCI Distribution Centres Ltd.		• TCI Infrastructure Ltd.	
• TCI Properties (Pune) Ltd.		• TCI Properties (West) Ltd.	
• Infinite Logistics Solutions Pvt. Ltd.			
v. Joint ventures:			
• Ann-Sofie ScanApS, Denmark		• Transystem Logistics International Pvt. Ltd	
Ann-Sofie Scan ApS is a joint venture incorporated in Denmark in partnership with a few other shareholders, in which Transport Corporation of India Ltd. (TCI) holds 50% of equity. Ann-Sofie ScanApS is engaged in the business of shipping.			
Aggregate amounts related to 50% interest of TCI in Ann-Sofie ScanApS:		Amount (Rs. In Million)	
Assets as on 31.12.2009	150.24	Income for the year ended 31.12.2009	49.84
Liabilities as on 31.12.2009	28.79	Expenses for the year ended 31.12.2009	64.50
Transystem Logistics International Private Ltd. (Transystem) is a joint venture incorporated in India in partnership with Mitsui & Co. Ltd., Japan, in which Transport Corporation of India Ltd. (TCI) holds 49% of equity. Transystem is engaged in the business of providing logistics services and TCI provides support services to Transystem.			
Aggregate amounts related to 49% interest of TCI in Transystem:		Amount (Rs. In Million)	
Assets as on 31.03.2010	257.52	Income for the year ended 31.03.2010	624.85

## SCHEDULES TO THE ACCOUNTS

### (23) NOTES ON ACCOUNTS (Contd.)

#### b. Transactions with related parties:

Nature of Transaction	Nature of Relation	Amount (Rupees)	
		2009-10	2008-09
Transactions during the year:			
Income:			
Freight Income	Associates	1,616,200	4,673
	Joint Ventures	252,316,058	192,743,387
	Subsidiaries/ Step-down subsidiaries	1,571,680	-
Shipping Freight	Joint Ventures	-	2,457,350
Logistics Services	Joint Ventures	34,359,796	26,606,279
Interest Received	Associates	58,290	5,240,080
	Joint Venture	278,817	-
Share of Profit Received	Associates	11,54,431	-
Pump Stock Sold	Associates	959,800	-
Expenditure:			
Freight Expenses	Associates	12,000	24,000
	Joint Venture	17,788,071	9,242,167
	Subsidiaries/ Step-down subsidiaries	5,640,118	-
Fuel Purchases	Associates	54,902,271	54,047,726
Logistics Services	Associates	466,569	-
Vehicle Maintenance	Joint Ventures	2,117,337	2,058,648
Rent Paid	Associates	21,295,904	12,992,794
	Key Management Personnel	768,600	-
	Relatives of Key Management Personnel	640,000	630,000
Interest Paid	Associates	-	325,682
Salary & Perquisites	Relatives of Key Management Personnel	-	930,480
Remuneration and Commission	Key Management Personnel	61,868,733	45,028,634
Reimbursement of Expenses	Joint Ventures	1,921,082	-
Finance & Investment:			
Investments Made	Subsidiaries	105,469,514	69,178,803
	Associates	128,099,585	-
Share Application Money Given	Associates	-	1,304,358
	Subsidiaries	110,000	6,555,292
Refund of Share Application Money Given	Associates	-	41,800,000
Loans Given	Associates	2,100,000	52,092,013
	Subsidiaries/ Step-down subsidiaries	58,937,662	116,979,288
	Joint Ventures	9,378,720	-
Refund of Loans Given	Associates	49,192,013	5,000,000
	Subsidiaries/ Step-down subsidiaries	9,381,620	-
Loans Taken	Associates	-	12,500,000



## SCHEDULES TO THE ACCOUNTS

## (23) NOTES ON ACCOUNTS (Contd.)

Nature of Transaction	Nature of Relation	Amount (Rupees)	
		2009-10	2008-09
Advances / Deposits Given	Associates	1,875,500	1,927,500
	Key Management Personnel	640,500	-
Refund of Advances / Deposits Given	Joint Ventures	-	6,636,998
Advances / Deposits Taken	Key Management Personnel	278,120	253,961
Refund of Advances / Deposits Taken	Key Management Personnel	2,515	284,579
Sale of Fixed Assets	Associates	59,523	-
Transfer of Land & Buildings towards Capital	Associates	126,945,154	-
Purchase of Fixed Assets	Joint Venture	4,750,000	-
Investments purchased in subsidiary	Associates	12,200,000	-
Investments transferred	Subsidiary and Step-down Subsidiary	49,722,910	-
<b>Balances as at the year end:</b>		<b>31st March 2010</b>	<b>31st March 2009</b>
<b>Assets:</b>			
Investments Made	Associates	131,099,585	3,000,000
	Joint Ventures	67,893,926	67,893,926
	Subsidiaries	147,091,657	79,145,053
Loans & Advances Given	Subsidiaries / Step-down Subsidiaries	166,535,330	116,979,288
	Joint Ventures	93,78,720	-
	Associates	-	47,092,013
Trade Receivables	Joint Ventures	33,921,670	21,435,829
	Subsidiaries / Step-down subsidiaries	1,356,408	-
	Associates	686,188	-
Share Application Money Given	Associates	-	1,304,358
	Subsidiaries	110,000	6,555,292
Advances/ Deposits Given	Associates	14,750,000	12,874,500
	Joint Ventures	278,817	-
	Key Management Personnel	640,500	-
	Relatives of Key Management Personnel	240,000	240,000
<b>Liabilities:</b>			
Trade Payables	Associates	4,726,874	1,455,310
	Joint Ventures	173,910	4,984,544
	Subsidiaries / Step-down subsidiaries	2,248,940	-

## SCHEDULES TO THE ACCOUNTS

## (23) NOTES ON ACCOUNTS (Contd.)

## 8. Segment Information

	Divisions	Rupees in millions	
		2009-10	2008-09
<b>Revenue</b>			
Segment Revenue	Freight Division	7273.38	6896.11
	XPS Division	3860.36	3469.68
	Supply Chain Solutions Division	2478.43	1679.58
	Seaways Division	634.35	671.07
	Wind Power Division	75.12	72.67
	Global Division	84.28	106.33
	Trading Division	150.38	233.79
	Real Estate & Warehousing Division	1.44	1.03
		14557.74	13130.26
	Less: Inter Segment Revenue	(40.35)	(103.41)
<b>Net Income from Operations</b>		<b>14517.39</b>	<b>13026.85</b>
<b>Segment Results</b>	Freight Division	286.07	271.21
	XPS Division	301.06	240.09
	Supply Chain Solutions Division	164.29	103.98
	Seaways Division	83.21	96.16
	Wind Power Division	37.27	31.63
	Global Division	(22.37)	(9.37)
	Trading Division	2.25	3.02
	Real Estate & Warehousing Division	(1.26)	(1.26)
Unallocated Corporate Income net of Unallocated Corporate Expenses		(7.86)	(45.33)
Interest Expenses (Net of Income)		(195.61)	(240.68)
<b>Profit Before Tax</b>		<b>647.05</b>	<b>449.45</b>
<b>Other Information</b>			
Segment Assets	Freight Division	1593.19	1406.91
	XPS Division	961.16	859.46
	Supply Chain Solutions Division	1031.06	699.05
	Seaways Division	808.66	766.57
	Wind Power Division	422.92	479.36
	Global Division	36.53	40.09
	Trading Division	0.05	2.46
	Real Estate & Warehousing Division	527.80	327.67
	Unallocated Corporate Assets	1714.58	1496.90
<b>Total Assets</b>		<b>7095.95</b>	<b>6078.47</b>
Segment Liabilities	Freight Division	122.90	107.41
	XPS Division	93.25	66.60

## SCHEDULES TO THE ACCOUNTS

## (23) NOTES ON ACCOUNTS (Contd.)

	Divisions	Rupees in millions	
		2009-10	2008-09
	Seaways Division	57.50	10.67
	Wind Power Division	4.59	15.64
	Global Division	6.14	20.08
	Trading Division	-	0.76
	Real Estate & Warehousing Division	0.14	-
	Unallocated Corporate Liabilities	479.87	390.93
<b>Total Liabilities</b>		<b>1000.50</b>	<b>752.44</b>
Capital Expenditure	Freight Division	68.83	41.71
	XPS Division	56.01	98.30
	Supply Chain Solutions Division	204.40	18.03
	Seaways Division	4.76	69.05
	Wind Power Division	-	-
	Global Division	2.19	1.90
	Trading Division	-	-
	Real Estate & Warehousing Division	35.72	-
	Unallocated Capital Expenditure	199.36	158.48
<b>Total Capital Expenditure</b>		<b>571.27</b>	<b>387.47</b>
Depreciation	Freight Division	50.48	45.73
	XPS Division	48.00	47.05
	Supply Chain Solutions Division	99.75	93.57
	Seaways Division	39.97	42.96
	Wind Power Division	27.47	27.47
	Global Division	0.36	0.12
	Trading Division	0.01	0.01
	Real Estate & Warehousing Division	1.13	1.85
	Unallocated Depreciation	0.46	1.07

The Company operates mainly in India and therefore there are no separate geographical segments

## 9. Earnings per share

Particulars		2009-10	2008-09
Net Profit after tax available for equity share holders- for Basic and Diluted EPS	Rupees	429,809,960	283,188,660
Weighted average no. of Equity Shares for Basic EPS	Nos.	72,521,747	72,505,640
Add: Adjustments for stock options	Nos.	27,030	13,143
Weighted average no. of Equity Shares for Diluted EPS	Nos.	72,548,777	72,518,783
Nominal Value of Equity Shares	Rupees	2.00	2.00
Basic Earnings per Equity Share	Rupees	5.93	3.91
Diluted Earnings per Equity Share	Rupees	5.93	3.91

## SCHEDULES TO THE ACCOUNTS

## (23) NOTES ON ACCOUNTS (Contd.)

10. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.144.83 million.
11. In respect of assets taken under non-cancelable operating lease, the future minimum lease payments as on 31st March 2010 are:

		(Amount in Rupees)
i)	Not later than one year	239,530
ii)	Later than one year and not later than five years	84,200
iii)	Later than five years	210,500
	<b>Total</b>	<b>534,230</b>

12. In respect of assets given under non-cancelable operating lease, the future minimum lease payments, as on 31st March 2010 is Nil.
13. Previous year's figures have been regrouped/ rearranged wherever considered necessary.
14. Contingent liability not provided for in respect of:

Particulars		Rupees in million	
		31st March 2010	31st March 2009
a)	Trade Tax / Octroi / Duty / ESI and other demands under dispute	19.47	22.28
b)	Guarantees and Counter Guarantees Outstanding	303.39	132.40
c)	Income Tax demands under dispute	154.13	111.40

15. In accordance with Accounting Standard (AS 15) "Employee Benefits", adequate provisions have been made in the accounts and there is no further liability expected on this account.

## ACCOUNTING POLICIES:

1. Recognition of Income and Expenditure:
  - a. Income and expenditure are generally recognized on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
  - b. Freight income is accounted when goods are delivered by the company to customers, except in case of the Seaways Division where freight income is accounted when the ship sails out of the port.
  - c. Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
  - d. Having regard to the size of operations and the nature and complexities of the Company's business, freight received/paid in advance is accounted as income/expense on payment.
  - e. Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents except in case of the Seaways Division where such liability is provided as calculated by the Company's claim department.
2. Gratuity:
 

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund.
3. Depreciation:
 

Depreciation is provided on straight-line method at rates specified in schedule XIV to the Companies Act, 1956 except for pallets and bins included under plant and machinery, the cost whereof are amortized over a period of five years from the date of purchase. Depreciation on additions/ deductions is calculated pro-rata from / to the month of addition / deduction. Individual assets whose actual cost does not exceed Rs. 5,000, except pallets and bins, are fully depreciated in the year of purchase.
4. Fixed Assets:
  - a) Fixed Assets are stated at cost and/or at revaluation.
  - b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from capital reserve created on revaluation of fixed assets to Profit and Loss Account.
5. Investments
 

Investments are stated at cost.
6. Inventories:
 

Inventories are valued at lower of cost and net realisable value.
7. Foreign Exchange Transactions:

## SCHEDULES TO THE ACCOUNTS

### (23) NOTES ON ACCOUNTS (Contd.)

- a) All transactions in foreign currency are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
  - b) Monetary items in foreign currency at the year end are converted in Indian Currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:
    - i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.
    - ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance life of the long-term monetary item, not beyond 31st March 2011.
  - c) Any income or expense on account of exchange difference either on settlement or translation is recognised in the profit and loss account
  - d) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.
8. Taxation:  
 Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on assessable income. Provision for current income tax on income from shipping activities is made on the basis of deemed tonnage income of the Company.  
 The company, except for its Seaways division, provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected.
9. Impairment of Assets:  
 The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.

#### ADDITIONAL INFORMATION UNDER PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

		Unit	2009-10		2008-09	
			Quantity	Amount Rupees	Quantity	Amount Rupees
A. Generation of Energy (Wind Mill Project)						
	Licensed Capacity	Units	Not Applicable		Not Applicable	
	Installed Capacity	MWH	11.50		11.50	
	Generation of Energy	Units	18,529,011		17,035,110	
	Sale of Energy	Units	18,529,011	74,119,237	17,035,110	72,671,847
B. Goods Traded						
	Sales					
	Diesel & Petrol	Ltrs.	4,105,679	149,550,098	6,070,606	232,774,413
	Motor Parts, Lubricants and Others			749441		1,010,627
				150,299,539		233,785,040
	Purchases					
	Diesel & Petrol	Ltrs.	4,056,000	145,186,324	6,092,000	229,533,389
	Motor Parts, Lubricants and Others			361,381		1,012,354
				145,547,705		230,545,743
	Opening Stock					
	Diesel & Petrol	Ltrs.	53,541	1,802,990	39,306	1,417,620
	Motor Parts, Lubricants and Others			254,035		87,115
				2,057,025		1,504,735
	Closing Stock					
	Diesel & Petrol	Ltrs.	Nil	-	53,541	1,802,990
	Motor Parts, Lubricants and Others			-		254,035
				-		2,057,025

## SCHEDULES TO THE ACCOUNTS

### (23) NOTES ON ACCOUNTS (Contd.)

C. C.I.F. Value of Imported & Indigenous Stores and Spare Parts Consumed					
		% of Total Consumption	Amount (Rupees)	% of Total Consumption	Amount (Rupees)
	Imported	19.45%	8,224,702	4.14%	1,337,041
	Indigenous	80.55%	34,067,426	95.86%	30,993,951
		100.00%	42,292,128	100.00%	32,330,992
				2009-10 Amount (Rupees)	2008-09 Amount (Rupees)
<b>D. Expenditure in Foreign Currency</b>					
	Capital Goods			39,674,444	19,187,938
	Investments in Subsidiaries & Joint Venture			28,113,214	40,578,803
	Main Engine Break-down Repair			113,456,548	-
	Share Application Money			-	7,859,650
	Advances to Joint Venture/ Subsidiaries			58,316,352	5,894,221
	Shipping Freight & Port Disbursements			10,541,448	3,967,892
	Traveling Expenses			7,124,279	8,951,399
	Conference & Seminar			604,820	-
	Consultancy Charges/ Professional Fees			1,445,128	866,442
	Subscription			238,594	418,174
	Interest			37,582,094	52,359,954
	Staff Training Programmes			1,236,988	3,319,558
	Insurance			3,545,984	1,509,025
	Dry- Dock Expenses			1,188,890	32,356,774
	Spare Parts			8,224,702	1,337,041
	Other Ship Operating Expenses			3,201,808	3,687,684
	Commission			1,757,118	2,745,346
	Exchange Rate Difference (Net)			329,199	3,227,111
	Others			1,923,789	19,133
<b>E. Earnings in Foreign Currency</b>					
	Freight Income			74,792,252	97,070,367
	Interest Income			278,817	-
	Dividend Income			23,737,500	-
	Miscellaneous Income			-	7,380,975

#### Signatures to Schedules 1 to 23

In terms of our Report of even date

For and on behalf of the Board

 For R S Agarwala & Co.  
Chartered Accountants

 S. M. Datta  
Chairman

 O. Swaminatha Reddy  
Director

 K. S. Mehta  
Director

 D. P. Agarwal  
Vice Chairman &  
Managing Director

 R.S. Agarwala  
Partner (Membership No. F-5534)

 Vineet Agarwal  
Executive Director

 Chander Agarwal  
Executive Director

 A. K. Bansal  
Group CFO &  
Company Secretary

 N. K. Baranwal  
Sr. VP-Group  
Accounts & Audit

 Camp : Gurgaon,  
Date : 19th May 2010

 Place : Gurgaon,  
Date : 19th May 2010



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Rs. in lacs	Rs. in lacs
	2009-10	2008-09
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and exceptional items	6763.09	4894.53
Adjustments for :		
Depreciation	2676.31	2598.27
Loss (Profit) on sale of Fixed Assets	75.99	35.39
Share of Loss(Profit) in Partnership Firms	(11.54)	-
Loss(Profit) on sale of Investments	(10.84)	(1.79)
Lease Rent Payments	22.34	29.73
Interest Payments	1983.38	2508.33
Interest Received	(27.28)	(101.56)
Dividend Income	(257.85)	(141.09)
	4450.51	4927.28
Operating profit before Working Capital changes	11213.60	9821.81
Adjustments For :		
Trade and Other Receivables	(5210.13)	(1609.66)
Inventories	10.27	6.94
Trade Payables	1755.27	1159.15
Cash Generation From operations	7769.01	9378.24
Interest Paid	(1983.38)	(2508.33)
Direct Taxes Paid/Refund received	(1896.19)	(2275.38)
Net Cash From Operating Activities	3889.44	4594.53
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5712.74)	(3874.69)
Sale of Fixed Assets	1859.04	145.87
Purchase of Investments	(2324.95)	(352.39)
Sale of Investments	621.34	82.74
Foreign Currency Translation Difference	125.93	(102.76)
Loss on Derivative Transactions	(692.55)	(400.00)
Payable against Derivative Transactions	-	400.00
Interest Received	27.28	101.56
Share of Profit in Partnership Firms Received	11.54	-
Dividend Received	257.85	141.09
Lease Rent Payments	(22.34)	(29.73)
Loans and Advances	(272.16)	(752.54)
Net Cash From Investing Activities	(6121.76)	(4640.85)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of Share Capital	20.80	-
Proceeds from Short Term Borrowings	4351.22	1228.66
Repayment of Short Term Borrowings	(1003.37)	(66.39)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Rs in lacs	Rs in lacs
	2009-10	2008-09
Repayment of Long Term Borrowings	(1183.75)	(1013.32)
Payment of Dividend	(580.22)	(435.07)
Payment of Dividend Tax	(97.49)	(73.95)
Net Cash From Financing Activities	3216.37	(122.27)
Net Increase(Decrease) In Cash & Cash Equivalent(A+B+C)	984.05	(168.59)
Cash & Cash Equivalent As On 31.03.2009	1066.89	1235.48
Cash & Cash Equivalent As On 31.03.2010	2050.94	1066.89

In terms of our Report of even date

For and on behalf of the Board

 For R S Agarwala & Co.  
Chartered Accountants

 S. M. Datta  
Chairman

 O. Swaminatha Reddy  
Director

 K. S. Mehta  
Director

 D. P. Agarwal  
Vice Chairman &  
Managing Director

 R.S. Agarwala  
Partner (Membership No. F-5534)

 Vineet Agarwal  
Executive Director

 Chander Agarwal  
Executive Director

 A. K. Bansal  
Group CFO &  
Company Secretary

 N. K. Baranwal  
Sr. VP-Group  
Accounts & Audit

 Camp : Gurgaon,  
Date : 19th May 2010

 Place : Gurgaon,  
Date : 19th May 2010

## Balance Sheet Abstract and General Business profile as per part IV, Schedule VI of the Companies Act,1956

### 1 Registration Details:

Registration No.  State Code

Balance Sheet Date  DD MM YY

### 2 Capital raised during the year (Amount in Rs.Thousand)

Public Issue  Rights Issue  Bonus Issue  Private Placement

### 3 Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousand)

Total Liabilities  Total Assets

Sources of Funds:

Paid up Capital  Reserves & Surplus  Secured Loans  Unsecured Loans

Deferred Tax Liability

Application of Funds:

Net Fixed Assets  Investments  Net Current Assets  Misc. Expenditure

Foreign Currency Monetary Item Translation Difference

### 4 Performance of Company: (Amount in Rs.Thousand)

Turnover  Total Expenditure  Profit before Tax  Profit after Tax

Earning per Share (in Rs.)  Dividend Rate (Interim) %  Dividend Rate (Final) %

### 5 Generic Names of Three Principal Products ( as per monetary terms)

Item Code No. (ITC Code)  Production Description

For and on behalf of the Board

S. M. Datta  
Chairman

O. Swaminatha Reddy  
Director

K. S. Mehta  
Director

D. P. Agarwal  
Vice Chairman &  
Managing Director

Place : Gurgaon,  
Date : 19th May 2010

Vineet Agarwal  
Executive Director

Chander Agarwal  
Executive Director

A. K. Bansal  
Group CFO &  
Company Secretary

N. K. Baranwal  
Sr. VP-Group  
Accounts & Audit

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Sr. No.	Name of the Subsidiary Company	Financial Year of the subsidiary company ended on	Interest of the Company in the subsidiary companies at the end of their respective financial years		Net aggregate of Profit/ (Loss) of the subsidiary company so far as it concerns the members of TCI Limited which are	
			Shareholding (No. of shares)	Extent of Holding (%)	Dealt with in the accounts of the Company amounted to (Rupees in lacs)	Not dealt with in the accounts of the Company amounted to (Rupees in lacs)
					For Previous Financial Years of the subsidiary since it became subsidiary of TCIL	For Previous Financial Years of the subsidiary since it became subsidiary of TCIL
1	PT.TCI Global	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	4.50
2	TCI Global Logistik GmbH	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	(11.99)
3	TCI Global (HKG) Ltd.	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	(67.85)
4	TCI Global (Thailand) Co. Ltd.	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	(34.99)
5	TCI Global Pte. Ltd.	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	(153.04)
6	TCI Global Netherlands B.V.	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	Nil
7	TCI Global(Sanghai) Co. Ltd.	31st March, 2010	Equivalent to Yuan 2054335.12	100.00	Nil	(21.95)
8	Transport Co of India (Mauritius) Ltd.	31st March, 2010	2500 Shares of Mauritius Rupees 10 each	100.00	Nil	(2.00)
9	TCI Holdings Asia Pacific Pte. Ltd.	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	Nil
10	TCI Global (Malaysia) Sdn Bhd	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	Nil
11	TCI Scan Denmark ApS	31st December, 2009	Nil (Step Down Subsidiary)	100.00	Nil	Nil
12	TCI Global Brazil Logistica Ltda	31st March, 2010	Nil (Step Down Subsidiary)	100.00	Nil	Nil
13	TCI Holdings Netherlands B.V.	31st March, 2010	18000 Shares of Euro 1 each	100.00	Nil	(4.36)
14	TCI Express Pte. Ltd.	31st March, 2010	38000 Shares of SG\$ 1 each	100.00	Nil	Nil
15	TCI Global Holdings (Mauritius) Ltd.	31st March, 2010	51000 Shares of US\$ 10 each	100.00	Nil	Nil
16	TCI Developers Ltd.	31st March, 2010	100000 Shares of Rs 10 each	100.00	Nil	(4.59)
17	TCI Infrastructure Ltd.	31st March, 2010	100000 Shares of Rs 10 each	100.00	Nil	0.19
18	TCI Properties (Pune) Ltd.	31st March, 2010	50000 Shares of Rs 10 each	100.00	Nil	Nil
19	TCI Properties(West) Ltd.	31st March, 2010	2610000 Shares of Rs 10 each	60.14	Nil	(0.39)
20	TCI Distribution Centers Ltd.	31st March, 2010	143700 Shares of Rs 10 each	73.92	Nil	Nil
21	Infinite Logistics Solutions Pvt. Ltd.	31st March, 2010	1020000 Shares of Rs 10 each	51.00	Nil	0.67

STATEMENT REGARDING SUBSIDIARY COMPANIES IN TERMS OF THE EXEMPTION  
RECEIVED UNDER SECTION 212 (1) & (8) OF THE COMPANIES ACT, 1956

Financial Year ended 31st March 2010

(Rupees in lacs)											
Name of the Subsidiary	Paid-up Capital	Reserves	Total Assets	Total Liabilities	Investments (a)	Turnover	Profit/ (Loss) before tax	Provision for Tax	Profit/ (Loss) after tax	Proposed dividend	Exchange rate as on 31st March 2010* Currency
1 PT.TCI Global	113.51	(27.34)	216.02	129.85	Nil	581.06	(31.84)	Nil	(31.84)	Nil	Rupiah
2 TCI Global Logistik GmbH	15.15	(15.81)	2.61	3.71	Nil	Nil	(4.26)	Nil	(4.26)	Nil	Euro
3 TCI Global(HKG) Ltd.	92.03	(143.89)	108.84	160.70	Nil	567.68	(76.04)	Nil	(76.04)	Nil	HK\$
4 TCI Global (Thailand) Co. Ltd.	34.45	(94.01)	161.77	221.33	Nil	316.38	(59.02)	Nil	(59.02)	Nil	Baht
5 TCI Global Pte. Ltd.	283.66	(250.94)	716.54	683.82	Nil	940.72	(97.90)	Nil	(97.90)	Nil	SG\$
6 TCI Global Netherlands B.V.	10.91	(1.85)	11.17	2.11	Nil	Nil	(2.06)	Nil	(2.06)	Nil	Euro
7 TCI Global(Sanghai) Co. Ltd.	135.72	(115.89)	97.17	77.34	Nil	122.65	(93.94)	Nil	(93.94)	Nil	Yuan
8 Transport Co of India (Mauritius) Ltd.	0.39	(3.09)	2.71	5.41	Nil	Nil	(1.09)	Nil	(1.09)	Nil	MUR
9 TCI Holdings Asia Pacific Pte. Ltd.	258.49	(25.22)	629.71	396.44	Nil	Nil	(25.22)	Nil	(25.22)	Nil	SG\$
10 TCI Global (Malaysia) Sdn Bhd	0.01	(1.43)	4.49	5.91	Nil	Nil	(1.43)	Nil	(1.43)	Nil	US\$
11 TCI Scan Denmark ApS	12.43	(4.33)	11.19	3.09	Nil	Nil	(3.21)	Nil	(3.21)	Nil	US\$
12 TCI Global Brazil Logistica Ltda	2.53	(4.37)	4.37	6.21	Nil	Nil	(4.63)	Nil	(4.63)	Nil	US\$ (*) 46.8936
13 TCI Holdings Netherlands B.V.	24.96	(24.71)	15.02	14.77	Nil	Nil	(19.44)	Nil	(19.44)	Nil	US\$ 45.0301
14 TCI Express Pte. Ltd.	12.23	(3.32)	12.45	3.54	Nil	Nil	(1.54)	Nil	(1.54)	Nil	Euro 60.5895
15 TCI Global Holdings (Mauritius) Ltd.	9.01	(4.14)	228.47	223.60	Nil	Nil	(4.14)	Nil	(4.14)	Nil	SG\$ 32.1979
16 TCI Developers Ltd.	10.00	(4.84)	5.21	0.05	Nil	Nil	(0.26)	Nil	(0.26)	Nil	US\$ 45.0301
17 TCI Infrastructure Ltd.	10.00	0.20	1,120.78	1,110.58	Nil	0.31	0.00	Nil	0.00	Nil	INR
18 TCI Properties (Pune) Ltd.	5.00	(0.09)	104.94	100.03	Nil	Nil	(0.09)	Nil	(0.09)	Nil	INR
19 TCI Properties(West) Ltd.	434.00	(2.96)	432.95	1.91	4.50	Nil	(0.82)	Nil	(0.82)	Nil	INR
20 TCI Distribution Centers Ltd.	860.94	(0.74)	1,621.59	761.39	5.00	Nil	(0.38)	Nil	(0.38)	Nil	INR

(a) Excluding investment in subsidiaries  
(b) The annual accounts of subsidiaries and step down subsidiaries with related detailed information are available for inspection by the members at the registered / corporate office of the company.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board Of Directors Of Transport Corporation Of India Ltd.

We have audited the attached Consolidated Balance Sheet of Transport Corporation of India Ltd. (the Parent Company) and its subsidiary companies and joint venture companies (collectively called 'the TCI Group') as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. The financial statements of the subsidiary company and joint venture companies have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the reports so furnished.
3. The financial statements of certain subsidiaries which reflect total assets of Rs. 37.66 lacs as at 31st March 2010, total revenue of Rs. Nil and net loss of Rs. 31.82 lacs for the year ended on that date have not been audited.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements, read together with paragraph 2 above, give a true and fair view in conformity with the accounting principle generally accepted in India:

- (a) In the case of Consolidated Balance Sheet of the state of affairs of the TCI Group as at 31st March 2010 and
- (b) In the case of Consolidated Profit & Loss Account, of the profit of the TCI Group for the year ended on that date
- (c) In the case of Consolidated Cash Flow Statement, of the cash flows of the TCI Group for the year ended on that date.

Camp: Gurgaon

Date: 19th May, 2010

For R S Agarwala & Co.  
Chartered Accountants  
Firm's Regn. No. 304045E

R. S. Agarwala  
Partner  
Membership No.F-5534



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Income	Schedule	31st March 2010		31st March 2009
		Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>				
Shareholders' Funds				
Capital	1	145,131,490		145,011,280
Reserves and Surplus	2	3,203,479,473		2,860,599,743
			3,348,610,963	3,005,611,023
<b>LOAN FUNDS</b>				
Secured Loans	3	2,612,933,552		2,392,430,208
Unsecured Loans	4	236,066,237		106,576,586
			2,848,999,789	2,499,006,794
Deferred Tax Liability	5		296,336,476	287,725,763
Minority Interest			47,392,997	17,215,005
<b>Total Funds Employed</b>			6,541,340,225	5,809,558,585
<b>APPLICATION OF FUNDS</b>				
Goodwill on Consolidation			2,205,123	-
Fixed Assets	6			
Gross Block		4,929,471,873		4,665,661,824
Less: Depreciation		1,574,294,531		1,369,922,788
Net Block		3,355,177,342		3,295,739,036
Capital Work-in-Progress		153,793,866		119,371,981
			3,508,971,208	3,415,111,017
Investments	7		40,493,277	32,552,164
Foreign Currency Monetary Item Translation Difference Account			(2,317,150)	10,276,100
Current Assets, loans And Advances				
Inventories	8	10,743,778		9,498,132
Sundry Debtors	9	2,637,437,461		2,133,259,288
Cash and Bank Balances	10	382,460,291		285,330,168
Loans and Advances	11	1,127,894,715		761,283,141
		4,158,536,245		3,189,370,729
Less: Current Liabilities And Provisions				
Liabilities	12	756,908,272		473,559,614
Provisions	13	411,683,851		365,051,859
		1,168,592,123		838,611,473
<b>Net Current Assets</b>			2,989,944,122	2,350,759,256
Miscellaneous Expenditure				
(To the extent not written off or adjusted) Preliminary Expenses			2,043,645	860,048
<b>Total Assets (net)</b>			6,541,340,225	5,809,558,585

Schedules referred to above form part of the Balance Sheet.

In terms of our Report of even date For and on behalf of the Board

For R S Agarwala & Co. Chartered Accountants	S. M. Datta Chairman	O. Swaminatha Reddy Director	K. S. Mehta Director	D. P. Agarwal Vice Chairman & Managing Director
R.S. Agarwala Partner (Membership No. F-5534)	Vineet Agarwal Executive Director	Chander Agarwal Executive Director	A. K. Bansal Group CFO & Company Secretary	N. K. Baranwal Sr. VP-Group Accounts & Audit
Camp : Gurgaon, Date : 19th May 2010	Place : Gurgaon, Date : 19th May 2010			

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Income	Schedule	31st March 2010	31st March 2009
		Rupees	Rupees
Freight	14	14,460,967,194	12,767,966,071
Sales & Services	15	754,500,650	744,661,764
Other Income	16	31,737,720	70,127,958
		15,247,205,564	13,582,755,793
<b>EXPENDITURE</b>			
Cost of Goods Sold	17	147,604,730	229,993,453
Operating Expenses	18	12,241,234,508	10,580,963,827
Personnel Expenses	19	752,110,735	696,679,279
Administrative Expenses	20	647,639,603	666,131,179
Repairs and Maintenance Expenses	21	289,266,694	318,716,218
Interest (Net)	22	191,759,064	242,703,169
Depreciation (Net - Note 5 on schedule 23)		296,180,863	296,601,196
		14,565,796,197	13,031,788,321
<b>Profit Before Tax and Exceptional Items</b>		681,409,367	550,967,472
Exceptional Items		29,255,340	40,000,000
<b>Profit Before Tax</b>		652,154,027	510,967,472
Provision For Tax - Current		226,362,212	159,845,235
- Deferred		8,610,713	(989,905)
- Fringe Benefit		-	19,075,800
<b>Profit After Tax</b>		417,181,102	333,036,342
Taxes for earlier years		(4,468,870)	(434,698)
Minority Interest		(22,498)	25,682
Balance brought forward from Previous Year		211,263,825	185,296,770
Balance Available For Appropriation		623,953,559	517,924,096
<b>APPROPRIATIONS:</b>			
Interim Dividend paid		29,011,416	-
Proposed Dividend		32,931,396	70,325,630
Tax on Dividend		10,399,976	7,727,700
Tonnage Tax Reserve		12,500,000	16,000,000
General Reserve		350,000,000	212,606,941
Balance Carried to Balance Sheet		189,110,771	211,263,825
		623,953,559	517,924,096
<b>Earning per Share - Basic and Diluted (Note 9 on Schedule 23)</b>		5.69	4.59
Notes on Accounts	23		

Schedules referred to above form part of the Profit and loss Account.

In terms of our Report of even date For and on behalf of the Board

For R S Agarwala & Co. Chartered Accountants	S. M. Datta Chairman	O. Swaminatha Reddy Director	K. S. Mehta Director	D. P. Agarwal Vice Chairman & Managing Director
R.S. Agarwala Partner (Membership No. F-5534)	Vineet Agarwal Executive Director	Chander Agarwal Executive Director	A. K. Bansal Group CFO & Company Secretary	N. K. Baranwal Sr. VP-Group Accounts & Audit
Camp : Gurgaon, Date : 19th May 2010	Place : Gurgaon, Date : 19th May 2010			

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010 Rupees	31st March 2009 Rupees
<b>(1) SHARE CAPITAL</b>		
Authorised:		
100,000,000 Equity Shares of Rs. 2 each	200,000,000	200,000,000
500,000 Preference Shares of Rs.100 each	50,000,000	50,000,000
	<b>250,000,000</b>	<b>250,000,000</b>
Issued, Subscribed and Paid up:		
Equity Shares of Rs. 2 each fully paid up :		
21,081,910 Shares paid in cash	42,163,820	42,118,610
51,446,335 Shares allotted for consideration other than cash as per the Schemes of Arrangement/ Amalgamation duly approved by the Hon'ble Andhra Pradesh High Court	102,892,670	102,892,670
Share Application Money	75,000	-
	<b>145,131,490</b>	<b>145,011,280</b>

During the year 22605 shares of Rs. 2 each have been issued on vesting of employees/ stock options.

The Company has granted options under the Employees' Stock Options Scheme and 178,000 options are outstanding as on 31st March 2010. Of this 62,400 options, 72,400 options and 43,200 options will vest in the year 2010-11, 2011-12 and 2012-13 respectively.

	At 1st April 2009	Additions	Deductions		
<b>(2) RESERVES &amp; SURPLUS</b>					
Capital Reserves:					
Revaluation Reserve	145,574,019	-	37,976 (a)	145,536,043	145,574,019
Share Premium	628,997,290	2,034,450 (b)	-	631,031,740	628,997,290
Employee Stock Option	-	7,549,235 (c)	1,062,435 (d)	6,486,800	-
Capital Redemption Reserve	19,400,000	-	-	19,400,000	19,400,000
Others	407,058,452	-	-	407,058,815	407,058,452
Exchange Difference on Consolidation				4,655,304	10,606,157
				<b>1,214,168,702</b>	<b>1,211,635,918</b>
Revenue Reserves:					
General Reserve	1,300,000,000	350,000,000.00 (e)	-	1,650,000,000	1,300,000,000
Reserve under section 33AC of the Income Tax Act, 1961	47,700,000	-	-	47,700,000	47,700,000
Tonnage Tax Reserve	90,000,000	12,500,000 (e)	-	102,500,000	90,000,000
Profit and Loss Account				189,110,771	211,263,825
				<b>1,989,310,771</b>	<b>1,648,963,825</b>
				<b>3,203,479,473</b>	<b>2,860,599,743</b>

(a) Transferred to Profit and Loss Account being depreciation provided on revalued amount

(b) On vesting of stock options

(c) In respect of options granted under the Employees' Stock Option Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options (based on market value of share on the date of grant of options minus option price) is accounted as deferred employee compensation, which is amortised on a straight line basis over the vesting period. Consequently salaries, wages and bonus includes Rs. 3,252,198, being amortisation of deferred employee compensation.

(d) Transferred to Share Premium on vesting of stock options during the year.

(e) Transferred from Profit and Loss Account

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010 Rupees	31st March 2009 Rupees
<b>(3) SECURED LOANS</b>		
Term Loans from Banks :		
Against hypothecation of Motor Trucks/Trailers/ Axles/ Motor Cars/ Containers and all movable assets and book debts of Wind Mill projects and equitable mortgage of specified properties of the company and of a wholly owned subsidiary	821,434,118	715,486,922
(Repayable within one year Rs.195,012,369 - Previous year Rs.182,900,152)		
Foreign currency loans secured by first charge on one ship, and all moveable/ immovable assets and book debts of Wind Mill projects and equitable mortgage of specified properties	333,428,171	450,758,315
(Repayable within one year Rs.150,178,373 - Previous year Rs.158,322,398)		
Term Loans from Others:		
Secured by equitable mortgage of specified immovable properties and hypothecation of Motor Trucks and Containers and all movable/ immovable assets and book debts of Wind Mill Projects.	107,902,633	78,857,381
(Repayable within one year Rs.39,876,898 - Previous year Rs. 30,960,178)		
Secured against equipments under Hire Purchase Contracts	887,754	
Less: Hire Charges allocable to future instalments	(219,909)	667,845
(Repayable within one year Rs.667,845 - Previous year Rs. 1,045,080)		
Working Capital Loans from Banks:		
Against hypothecation of Book Debts, Inventories, Fixed Deposit Receipts and equitable mortgage of specified immovable properties	1,349,500,785	1,145,614,665
	<b>2,612,933,552</b>	<b>2,392,430,208</b>
In addition, loans to the extent of Rs. 19,702 lacs (previous year Rs. 17,504 lacs)		

<b>(4) UNSECURED LOANS</b>		
Fixed Deposits (a)	5,655,820	5,993,120
(Repayable within one year Rs.2,113,000 - Previous year Rs.4,257,800)		
Short Term Loans and Advances		
Commercial Paper	-	100,000,000
Others	410,417	583,466
Redeemable Non-convertible Debentures	230,000,000	-
	<b>236,066,237</b>	<b>106,576,586</b>

(a) Includes Rs. 86,000 from a director (Previous year Rs.86,000)

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	At 1st April 2009	Current year	31st March 2010 Rupees	31st March 2009 Rupees
(5) DEFERRED TAX LIABILITY				
Deferred Tax ( Asset ) Liability				
Difference between book and tax depreciation	292,843,763	10,025,514	302,869,277	292,843,763
Disallowances under Income Tax Act	(4,892,000)	(129,000)	(5,021,000)	(4,892,000)
Other Items	(226,000)	(1,285,801)	(1,511,801)	(226,000)
			296,336,476	287,725,763

## (6) FIXED ASSETS

Description of Assets	AT COST OR VALUATION				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions during the year	Deductions during the year	Balance	Up to 31.03.2009	For the Year	Adjust- ment on Deductions	Total	31st March 2010	31st March 2009
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	834,617,266	16,142,141	-	850,759,407	-	-	-	-	850,759,407	834,617,266
Buildings (c)	489,110,565	198,429,406(d)	9,175,333	678,364,638	68,597,925	8,445,851	5,624,041	71,419,735	606,944,903	420,512,640
Ships	881,311,632	-	223,804,705(e)	657,506,927	216,062,468	33,514,122	15,534,925	234,041,665	423,465,262	665,249,164
Motor Trucks	1,238,938,619	263,835,040	51,665,132	1,451,108,527	744,380,461	157,183,779	48,335,725	853,228,515	597,880,012	494,558,158
Vehicles	93,692,195	19,498,493	10,531,022	102,659,666	25,669,818	8,444,468	5,549,416	28,564,870	74,094,796	68,022,377
Plant and Machinery	602,274,584	25,486,037	1,325,631	626,434,990	126,048,850	33,977,234	774,618	159,251,466	467,183,524	476,225,734
Computers	210,233,958	38,453,881	13,363,083	235,324,756	89,995,393	31,672,593	11,431,746	110,236,240	125,088,516	120,238,565
Containers	135,572,122	1,294,207	6,851,250	130,015,079	19,083,015	6,467,206	4,229,415	21,320,806	108,694,273	116,489,107
Furniture & Fittings	113,173,535	8,626,123	857,883	120,941,775	51,347,213	7,058,166	292,513	58,112,866	62,828,909	61,826,322
Office Equipments	62,110,106	9,480,597	114,584	71,476,119	26,964,109	9,257,987	74,697	36,147,399	35,328,720	35,145,997
Weighing Scales & Chain Pulley	4,627,242	252,747	-	4,879,989	1,773,536	197,433	-	1,970,969	2,909,020	2,853,706
Capital Work-in-Progress	119,371,981	126,421,934	92,000,049	153,793,866	-	-	-	-	153,793,866	119,371,981
Total	4,785,033,805	707,920,606	409,688,672	5,083,265,739	1,369,922,788	296,218,839	91,847,096	1,574,294,531	3,508,971,208	-
Previous Year	4,223,316,276	697,850,683	136,133,154	4,785,033,805	1,132,720,538	296,639,172	59,436,922	1,369,922,788	-	3,415,111,017

## NOTES:

- (a) A part of the Land & Buildings were revalued during the year ended 31st March 1999 and the resultant increase in the value of assets by Rs.144,985,578 and Rs.1,006,193 respectively aggregating Rs.145,991,771 was transferred to Capital Reserve.
- (b) Depreciation for the year includes Rs.37,976 in respect of the above revaluations.
- (c) Buildings include those on leasehold land.
- (d) Includes interest of Rs.3,521,199 capitalised
- (e) Includes Rs.15,622,061 being exchange gain on repayment of related foreign currency borrowings during the year and Rs.36,642,810 on restatement of the said borrowings (refer note 4 of Schedule 23)

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010		31st March 2009	
	Quantity (Nos.)	Rupees	Quantity (Nos.)	Rupees
(7) INVESTMENTS (At Cost)				
Long Term Investments				
Trade:				
Fully Paid Equity Shares of Joint Stock Companies:				
Unquoted -				
XPS Cargo Services Ltd of Rs. 10 each	300,000	3,000,000	300,000	3,000,000
Etralog.com Solutions Pvt. Ltd. of Rs. 10 each	25,000	250,000	25,000	250,000
Bhoruka International Pvt. Ltd. of Rs. 10 each	20,000	200,000	20,000	200,000
Ann-Sofie Scan Shipping Ltd. (equivalent to US \$ 546516.5)		25,628,126		-
		29,078,126		3,450,000
Fully Paid Preference Shares of Joint Stock Company				
XPS Cargo Services Ltd Redeemable non-cumulative preference shares of Rs. 10 each	50000	500,000	-	-
Non-Trade				
Quoted -				
Infosys Technologies Ltd. of Rs. 5 each (1200 shares sold during the year)	1,200	1,852,020	2400	3,704,039
Edelweiss Capital Ltd of Rs. 10 each	982	1,243,342	982	1,243,342
Reliance Industries Ltd. of Rs. 10 each (812 shares allotted on conversion of equity shares in Reliance Petroleum Ltd. and 1812 shares received as bonus during the year)	3,624	2,752,134	1000	1,720,233
Reliance Petroleum Ltd. of Rs. 10 each (converted in to 812 equity shares in Reliance Industries Ltd.)	-	-	13000	1,032,537
Mutual Funds' Units:				
UTI Balanced Fund	3,105	67,655	3,105	67,655
JM Basic Fund	149,753	5,000,000	149,753	5,000,000
SBI Magnum Equity Fund (Redeemed during the year)		-	148,368	5,000,000
ICICI Prudential Infrastructure Fund (Redeemed during the year)	-	-	280,426	5,000,000
Reliance Diversified Power Sector Fund (Redeemed during the year)	-	-	98,985	5,000,000
		10,915,151		27,767,806
Share Application Money pending allotment - since allotted		-		1,334,358
		40,493,277		32,552,164
Market value of quoted investments		10,260,031		15,329,815
Note: The diminution in the market value of quoted investments is considered temporary				
Investments acquired and sold during the year:				
Mutual Funds' Units - Quoted:				
LIC Mutual Fund Liquid Fund	-	-	194,500,000	1,945,000,000
Reliance Mutual Fund - Money Manager Fund	-	-	199,864	200,000,000
SBI Liquid Fund Liquid Plus	-	-	14,992,504	150,000,000
Fully Paid Equity Shares - Quoted				
Reliance Industries Ltd.	-	-	300	355,820
Gati Limited	-	-	596	20,925



## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
(8) INVENTORIES		
(As taken, valued and certified by the Management)		
At lower of cost and net realisable value		
Diesel and Petrol	-	1,802,990
Motor Parts, Lubricants and Others	-	254,035
Ship fuels & consumables	8,471,466	7,441,107
Other Consumables	2,272,312	-
	10,743,778	9,498,132

(9) SUNDRY DEBTORS (Unsecured)		
Outstanding for more than six months -		
Considered Good	76,454,537	80,174,791
Considered Doubtful	3,534,621	7,646,603
Others - Considered Good	2,560,982,924	2,053,084,497
	2,640,972,082	2,140,905,891
Less: Provisions for bad and doubtful debts	(3,534,621)	(7,646,603)
	2,637,437,461	2,133,259,288

(10) CASH AND BANK BALANCES		
Cash in Hand	5,116,303	2,126,786
Cheques in Hand	1,925,100	-
Cash and Cheques in Transit	2,917,848	-
With Scheduled Banks :		
In Current Accounts	176,228,203	122,599,934
In Deposit Accounts (a)	167,465,651	76,840,378
In Unpaid Dividend Accounts	5,384,321	4,317,271
With Other Banks :		
In Current Accounts	22,448,943	79,445,799
In Deposit Accounts	973,922	-

a) Some of the fixed deposit receipts are deposited with Banks against borrowings and guarantees issued.

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
(11) LOANS AND ADVANCES (Unsecured-considered good)		
Loans	-	54,433,692
Advances recoverable in cash or in kind or for value to be received	228,217,038	106,307,483
Advances and Deposits with Landlords	87,935,838	84,997,134
Deposits with Others	83,547,509	68,886,987
Advances for Capital Expenditure	217,232,743	31,863,670
Tax Deducted at Source	510,961,587	414,794,175
	1,127,894,715	761,283,141
Due from Officers of the Company	6,194,768	5,176,626
Maximum Due During the Year	6,831,998	5,644,062
Loans and Advances due from Associate Company:	Amount outstanding Rupees	Maximum balance during the year Rupees
XPS Cargo Services Ltd.	14,750,000	14,750,000
TCI India Ltd.	-	2,100,000
TCI Distribution Centers Ltd.	-	47,092,013

(12) LIABILITIES		
Sundry Creditors	634,520,777	366,425,804
Customers' Credit Balances	4,328,035	13,247,535
Overdrawn Bank Balances	445,951	1,083,137
Other Liabilities	62,844,496	41,217,992
Due to Directors	643,605	368,000
Interest Accrued on Loans	13,658,809	13,333,838
Sundry Deposits	35,082,278	33,566,039
Unpaid/Unclaimed Dividend	5,384,321	4,317,269
	756,908,272	473,559,614

There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund.

(13) PROVISIONS		
Taxation (Net of payments)	336,180,470	224,725,554
Gratuity	12,965,279	7,112,391
Derivative Contracts	-	40,000,000
Leave Encashment	24,137,212	15,165,071
Proposed Dividend	32,931,396	70,322,333
Tax on Dividend	5,469,494	7,726,510
	411,683,851	365,051,859

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(14) FREIGHT</b>		
Freight, Miscellaneous Charges etc. (a) (Tax Deducted Rs. 115,622,428 Previous Year Rs.175,542,381)	13,853,665,942	11,956,116,578
Shipping Freight and Charter Hire (Tax Deducted Rs. 2,551,435 Previous Year Rs. 2,616,305)	607,301,252	811,849,493
	<b>14,460,967,194</b>	<b>12,767,966,071</b>

(a) Includes Demurrage Rs. 24,527,676 Previous Year Rs.28,485,538)

<b>(15) SALES &amp; SERVICES</b>		
Sales (Including sale of carbon credits Rs. Nil - Previous year - 10,255,631)	224,418,776	306,456,887
Logistics and Other Services ( Tax Deducted Rs. 16,918,280 Previous year - Rs. 13,348,115)	526,342,737	432,054,618
Clearing and Forwarding Services	3,237,597	5,632,369
Bus Operations	501,540	517,890
	<b>754,500,650</b>	<b>744,661,764</b>

<b>(16) OTHER INCOME</b>		
Rent (Tax deducted Rs. 723,754 Previous Year Rs. 6,320,129) (a)	4,387,989	35,072,183
Dividends on Investments:		
Long Term 10,069,511		12,069,948
Short Term -	10,069,511	2,039,164
Miscellaneous Income (Tax deducted Rs. 300 Previous year Rs. 3,000)	9,618,124	6,373,051
Profit on sale of Investments (net)		
Long Term 1492526		177,366
Short Term (408,348)	1,084,178	1,811
Unspent Liabilities/Excess Provisions written back	446,706	12,603,136
Bad Debts and Irrecoverable Balances written off in earlier years, realised	6,131,212	1,791,299
	<b>31,737,720</b>	<b>70,127,958</b>

(a) Includes for earlier years Rs. 226,840 (Previous year - Rs. 200,488)

<b>(17) COST OF GOODS SOLD</b>		
Purchases	145,547,705	230,545,743
Add: Decrease/(Increase) in Closing Stock	2,057,025	(552,290)
	<b>147,604,730</b>	<b>229,993,453</b>

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(18) OPERATING EXPENSES</b>		
Freight	9,876,503,603	8,596,998,175
Vehicles' Trip Expenses	1,148,040,526	1,003,022,559
Tyres & Tubes etc.	70,423,046	50,037,558
Warehouse Rent	104,115,442	96,927,934
Warehouse Expenses	181,118,823	115,657,826
Other Expenses	239,904,326	229,760,393
Claims for loss & damages (Net)	10,610,577	17,505,026
Commission	7,767,033	8,245,183
Vehicles' Taxes	47,680,594	43,483,559
Vehicles' and Ship Insurance	18,299,925	21,244,892
Power, Fuel and Water Charges	119,574,190	116,802,571
Stores & Spares Parts Consumed	41,927,048	32,330,992
Port and Survey Expenses	25,785,531	23,505,113
Stevedoring and Cargo Expenses	140,729,060	120,546,860
Wages, Bonus and Other Expenses - Floating Staff	82,443,968	92,912,000
Contribution to Provident & Other Funds -Floating Staff	406,932	381,932
Clearing and Forwarding Expenses	125,903,884	11,601,254

<b>(19) PERSONNEL EXPENSES</b>		
Salaries, Wages & Bonus	578,086,246	538,488,019
Gratuity	18,027,889	13,828,331
Contribution to Provident & Other Funds	46,772,806	42,703,758
Contribution to Employees' State Insurance	14,078,158	12,246,454
Staff Welfare & Development Expenses	95,145,636	89,412,717
	<b>752,110,735</b>	<b>696,679,279</b>

<b>(20) ADMINISTRATIVE EXPENSES</b>		
Rent (a)	127,911,476	128,472,404
Rates and Taxes	10,588,997	7,176,546
Insurance	5,739,502	5,063,510
Telephone Expenses	48,529,757	63,039,980
Printing and Stationery	30,312,821	32,243,193
Travelling Expenses	104,247,214	107,796,686

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(20) ADMINISTRATIVE EXPENSES (Contd.)</b>		
Legal Expenses	9,295,952	11,180,678
Postage and Telegram	5,791,097	6,498,175
Electricity Expenses	26,122,120	28,381,444
Bank Charges	15,020,014	16,791,252
Advertisement Expenses	8,022,514	7,925,443
Miscellaneous Expenses (b)	171,161,437	193,637,405
Remuneration to Directors		
Salaries	26,795,000	21,308,871
Commission	19,500,000	12,179,040
Fees	435,000	335,000
Remuneration to Auditors		
Audit fees	1,960,989	1,224,147
Tax audit fees	205,931	215,129
Other Services	4,520	-
Sales Tax (Net)	63,669	58,849
Lease Rent Payments	2,233,783	2,972,609
Bad Debts and Irrecoverable Balances Written Off (Net) (c)	10,243,181	31,009,120
Agricultural Expenses (Net)	193,089	221,997
Charity & Donations	17,781,924	2,384,298
Loss on sale/discard of Fixed Assets (Net)	3,693,117	527,263
Exchange Rate Difference (Net)	1,463,016	(15,085,743)
Preliminary Expense w/o	323,483	573,883
	<b>647,639,603</b>	<b>666,131,179</b>

(a) Includes for earlier years Rs.nil (Previous year - Rs.158,000)

(b) Includes Rs. 1,200,000 to a director for services of a professional nature (Previous Year Rs. 1,200,000) and professional fee of Rs.110,300 paid to a firm in which a director of the company is a partner (Previous year - Rs.Nil)

(c) Includes provision Rs.2,636,340 (Previous year - Rs.7,646,603)

<b>(21) REPAIRS &amp; MAINTENANCE EXPENSES</b>		
Motor Trucks	162,839,036	135,220,906
Other Vehicles	26,805,114	27,135,654
Ships	25,838,979	31,395,992
Dry Docking Expenses	18,409,302	69,624,532
Plant & Machinery	16,801,033	19,995,923
Computers	31,247,330	20,850,606
Buildings	7,325,900	14,492,605
	<b>289,266,694</b>	<b>318,716,218</b>

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31st March 2010	31st March 2009
	Rupees	Rupees
<b>(22) INTEREST</b>		
Fixed Loans (a)	103,742,542	120,860,339
Fixed Deposits	621,104	447,082
Others	99,380,841	140,983,240
	<b>203,744,487</b>	<b>262,290,661</b>
Less: Interest Received (Tax deducted Rs. 246,327 Previous year Rs. 2,197,546)	(11,985,423)	(19,587,492)
	<b>191,759,064</b>	<b>242,703,169</b>

(a) Net of Rs.nil received on interest rate swap coupon settlement (Previous year - Rs. 3,000,000)

## (23) CONSOLIDATED NOTES ON ACCOUNTS

1. The Consolidated Financial Statements include results of all the subsidiary and joint ventures of Transport Corporation of India Limited.

Sl.	Name of the Company	Country of Incorporation	% Shareholding	Consolidated as
1	Ann-Sofie Scan ApS	Denmark	50%	Joint Venture
2	Transystem Logistics International Pvt. Ltd.	India	49%	Joint venture
3	PT.TCI Global	Indonesia	100%	Step-down Subsidiary
4	TCI Global (HKG) Ltd.	Hong Kong	100%	Step-down Subsidiary
5	TCI Global (Thailand) Co. Ltd.	Thailand	100%	Step-down Subsidiary
6	TCI Global Pte Ltd.	Singapore	100%	Step-down Subsidiary
7	TCI Global Logistik GmbH	Germany	100%	Step-down Subsidiary
8	TCI Global Netherlands B.V.	Netherlands	100%	Step-down Subsidiary
9	TCI Holdings Asia Pacific Pte. Ltd.	Singapore	100%	Step-down Subsidiary
10	TCI Global (Malaysia) Sdn Bhd	Malaysia	100%	Sep-down Subsidiary
11	TCI Scan Denmark ApS	Denmark	100%	Step-down subsidiary
12	TCI Global Brazil Logistica Ltda	Brazil	100%	Step-down Subsidiary
13	TCI Holdings Netherlands B.V.	Netherlands	100%	Subsidiary
14	TCI Express Pte. Ltd.	Singapore	100%	Subsidiary
15	TCI Global Holdings (Mauritius) Ltd.	Mauritius	100%	Subsidiary
16	TCI Global (Sanghai) Co. Ltd.	China	100%	Subsidiary
17	Transport Co of India (Mauritius) Ltd.	Mauritius	100%	Subsidiary
18	TCI Developers Ltd.	India	100%	Subsidiary
19	TCI Infrastructure Ltd.	India	100%	Subsidiary
20	TCI Properties (Pune) Ltd.	India	100%	Subsidiary
21	TCI Properties (West) Ltd.	India	60.14%	Subsidiary
22	TCI Distribution Centers Ltd.	India	73.92%	Subsidiary
23	Infinite Logistics Solutions Pvt. Ltd.	India	51%	Subsidiary
24	TCI Properties (Guj)	India	100%	Associate Partnership Firm
25	TCI Properties (South)	India	100%	Associate Partnership Firm
26	TCI Properties (Delhi)	India	100%	Associate Partnership Firm
27	TCI Properties (NCR)	India	100%	Associate Partnership Firm
28	TCI Warehousing (MH)	India	100%	Associate Partnership Firm



## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

### (23) CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

a. The financial statements of these companies are for the period as under:

Sl.	Name of the Company	Period		Remarks
		From	To	
1	Ann-Sofie Scan ApS	1st January 2009	31st December 2009	Financial year of the company
2	Transsystem Logistics International Pvt. Ltd.	1st April 2009	31st March 2010	Financial year of the company
3	PT.TCI Global	1st April 2009	31st March 2010	Financial year of the company
4	TCI Global (HKG) Ltd.	1st April 2009	31st March 2010	Financial year of the company
5	TCI Global (Thailand) Co. Ltd.	1st April 2009	31st March 2010	Financial year of the company
6	TCI Global Pte Ltd.	1st April 2009	31st March 2010	Financial year of the company
7	TCI Global Logistik GmbH	1st April 2009	31st March 2010	Financial year of the company
8	TCI Global Netherlands B.V.	1st April 2009	31st March 2010	Financial year of the company
9	TCI Holdings Asia Pacific Pte. Ltd.	1st April 2009	31st March 2010	Financial year of the company
10	TCI Global (Malaysia) Sdn Bhd	29th December 2009	31st March 2010	First financial year of the company
11	TCI Scan Denmark ApS	1st January 2009	31st December 2009	Financial year of the company
12	TCI Global Brazil Logistica Ltda	14th October 2009	31st March 2010	First financial year of the company
13	TCI Holdings Netherlands B.V.	1st April 2009	31st March 2010	Financial year of the company
14	TCI Express Pte. Ltd.	1st April 2009	31st March 2010	Financial year of the company
15	TCI Global Holdings (Mauritius) Ltd.	6th April 2009	31st March 2010	First financial year of the company
16	TCI Global (Sanghai) Co. Ltd.	1st April 2009	31st March 2010	Financial year of the company
17	Transport Co of India (Mauritius) Ltd.	1st April 2009	31st March 2010	Financial year of the company
18	TCI Developers Ltd.	1st April 2009	31st March 2010	Financial year of the company
19	TCI Infrastructure Ltd.	1st April 2009	31st March 2010	Financial year of the company
20	TCI Properties (Pune) Ltd.	1st April 2009	31st March 2010	Financial year of the company
21	TCI Properties (West) Ltd.	1st April 2009	31st March 2010	Financial year of the company
22	TCI Distribution Centers Ltd.	1st April 2009	31st March 2010	Financial year of the company
23	Infinite Logistics Solutions Pvt. Ltd.	1st April 2009	31st March 2010	Financial year of the company
24	TCI Properties (Guj)	4th January 2010	31st March 2010	First financial year of the Firm
25	TCI Properties (South)	4th January 2010	31st March 2010	First financial year of the Firm
26	TCI Properties (Delhi)	4th January 2010	31st March 2010	First financial year of the Firm
27	TCI Properties (NCR)	4th January 2010	31st March 2010	First financial year of the Firm
28	TCI Warehousing (MH)	4th January 2010	31st March 2010	First financial year of the Firm

b. Financial statements of subsidiaries viz.TCI Global Logistik GmbH, TCI Global Netherlands B.V.,TCI Global Brazil Logistica Ltda,TCI Global (Malaysia) Sdn Bhd and TCI Holdings Netherlands B.V., which reflect total assets of Rs.3.77 million as at 31st March 2010, total revenue of Rs.Nil and loss of Rs.3.18 million for the year ended 31st March 2010 have not been audited.

c. The consolidated financial statements have been prepared on the following principles:

- In respect of Subsidiary Companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits/ losses on intra-group transactions as per Accounting Standard – AS 21 “Consolidated Financial Statements”
- In case of Joint Venture Companies, the financial statements have been consolidated considering the interest in the joint ventures using proportionate consolidation method as per Accounting Standard – AS – 27 “Financial Reporting of Interests in Joint Ventures”
- In case of foreign subsidiary and joint venture, being Non-Integral Foreign Operations, revenue items are consolidated at the average rate prevailing during the year.All assets and liabilities are converted at the rate prevailing at the end of the year.Any exchange difference arising on consolidation is recognised as “Exchange Difference on Consolidation”.
- The excess of cost to the Company of its investment in subsidiary and joint venture companies is recognised in the financial statements as Goodwill, which is tested for impairment on every Balance Sheet date.The excess of Company's share of equity and reserves of the subsidiary and joint venture companies over the cost of acquisition is treated as Capital Reserve.

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

### (23) CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

2. Total Remuneration to Directors:

	2009-10 Rupees	2008-09 Rupees
Salaries	26,795,000	21,308,871
Commission	19,500,000	11,250,000
Money Value of perquisites	14,078,533	11,318,699
Contribution to Provident / Superannuation Funds	2,995,200	2,401,064
Directors' Fees	435,000	335,000

3. Computation of net profit in accordance with Section 309 (5) of the Companies Act, 1956

Profit before tax	652,154,027	510,993,154
Add:		
Depreciation as per accounts	296,180,863	296,601,196
Directors' Remuneration	63,368,733	46,278,634
	359,549,596	342,879,830
	1,011,703,623	853,872,984
Less:		
Depreciation under section 350	296,180,863	296,601,196
Capital profit on sale of assets	53,726	4,172,737
Capital profit on sale of Investments	1,084,178	179,177
	297,318,767	300,953,110
Net Profit computed in accordance with section 309 (5)	714,384,856	552,919,874
Commission payable to:		
Managing Director – 2%	14,287,697	11,058,397
Executive Directors -- 1% each	14,287,697	11,058,397
Non Executive Directors – 0.5%	3,571,924	2,764,599
Restricted to:		
Managing Director	9,000,000	5,000,000
Executive Directors	9,000,000	5,000,000

The above does not include contribution to gratuity fund and provision for encashable leave, which is actuarially calculated on an overall basis.

4. In terms of amendments notified on 31st March 2009 to Accounting Standard 11 (AS 11), the exchange gain of Rs. 156.22 lacs on repayment of foreign currency borrowings and of Rs. 366.43 lacs on restatement of such borrowings relating to acquisition of depreciable assets has been credited to the account of such assets. In other cases Rs. 74.55 lacs has been credited and Rs. 51.38 lacs has been amortised out of the Foreign Currency Monetary Item Translation Difference Account. As a result net profit after tax is lower by Rs. 511.81 lacs and fixed assets are lower by Rs. 496.52 lacs.

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

### (23) CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

5. The net depreciation charged for the year is arrived at as follows:

	31st March 2010 Rupees	31st March 2009 Rupees
Depreciation for the year	296,218,839	296,639,172
Deduct:		
Transfer from Capital Reserve on account of depreciation provided on revalued amount	37,976	37,976
Net depreciation charged in Profit & Loss Account	296,180,863	296,601,196

6. Exceptional item represents loss on settlement of all outstanding derivative instruments during the year.

7. Related party disclosures

a. List of related parties:

i. Key Management Personnel:	
• Mr D.P. Agarwal	• Mr Vineet Agarwal
• Mr Chander Agarwal	• Mr K Prabhakar
ii. Relatives of Key management Personnel:	
• Mrs Priyanka Agarwal (wife of Mr Vineet Agarwal)	• Mr Ashok Agarwal (Brother of Mr.D.P.Agarwal)
iii. Associates:	
• TCI Global Logistics Ltd	• TCI Exim Pvt. Ltd.
• Boruka Finance Corporation of India Ltd	• XPS Cargo Services Ltd
• TCI Industries Ltd	• Etralog.com Solutions Ltd.
• Boruka International Pvt. Ltd	• TCI India Ltd

b. Transactions with related parties:

Nature of Transaction	Nature of Relation	Amount (Rupees)	
Transactions during the year:		2009-10	2008-09
Income:			
Freight Income	Associates	1,616,200	4,673
Interest Income	Associates	58,290	5,240,080
Pump Stock Sold	Associates	959,800	-
Expenditure:			
Freight Expenses	Associates	12,000	24,000
Fuel Purchases	Associates	115,803,761	79,040,286
Logistics Services	Associates	466,569	-
Rent Paid	Associates	19,156,904	12,992,794
	Key Management Personnel	768,600	-
	Relatives of Key Management Personnel	640,000	630,000
Interest Paid	Associates	-	325,682
Salary & Perquisites	Relatives of Key Management Personnel	-	930,480
Remuneration and Commission	Key Management Personnel	61,868,733	45,028,634
Finance & Investment:			
Share Application Money Given	Associates	-	1,334,358
Refund of Share Application Money Given	Associates	-	41,800,000

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

### (23) CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

Refund of Loans Given	Associates	49,192,013	5,000,000
Loans Taken	Associates	-	12,500,000
Refund of Loans Taken	Associates	-	16,567,710
Advances/ Deposits Given	Associates	1,875,500	1,927,500
	Key Management Personnel	640,500	-
Advances/ Deposits Taken	Key Management Personnel	278,120	253,961
Refund of Advances/ Deposits Taken	Key Management Personnel	2,515	284,579
Sale of Fixed Assets	Associates	59,523	-
Purchase of Investments	Associates	12,200,000	-
Balances as at the year end:		31st March 2010	31st March 2009
Assets:			
Investments Made	Associates	3,450,000	3,450,000
Loans Given	Associates	-	47,092,013
Share Application Money Given	Associates	-	1,334,358
Trade Receivable	Associates	686,188	-
Advances/ Deposits Given	Associates	14,759,000	12,883,500
	Key Management Personnel	640,500	-
	Relatives of Key Management Personnel	240,000	240,000
Liabilities:			
Trade Payables	Associates	2,350,519	1,925,939

8. Segment Information

	Divisions	(Rupees in Millions )	
		2009-10	2008-09
Revenue			
Segment Revenue	Freight Division	7273.49	6939.14
	XPS Division	3860.36	3469.68
	Supply Chain Solutions Division	2942.13	2026.39
	Seaways Division	634.35	819.77
	Wind Power Division	75.12	72.67
	Global Division	337.13	106.33
	Trading Division	150.38	233.79
	Real Estate & Warehousing Division	1.51	1.03
		15274.47	13668.80
	Less: Inter Segment Revenue	(40.36)	(103.41)
Net Income from Operations		15234.11	13565.39
Segment Results	Freight Division	285.66	243.16
	XPS Division	301.06	240.09
	Supply Chain Solutions Division	220.72	127.58
	Seaways Division	83.21	164.17
	Wind Power Division	37.27	31.63
	Global Division	(61.54)	(9.37)
	Trading Division	2.25	3.02

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(23) CONSOLIDATED NOTES ON ACCOUNTS (Contd.)			
	Real Estate & Warehousing Division	(0.99)	(1.28)
Unallocated Corporate Income net of Unallocated Corporate Expenses		(23.72)	(45.33)
Interest Expenses (net of income)		(191.76)	(242.70)
Profit Before Tax		652.16	510.97
Other Information			
Segment Assets	Freight Division	1601.56	1451.65
	XPS Division	961.16	859.46
	Supply Chain Solutions Division	1300.74	877.96
	Seaways Division	808.66	967.05
	Wind Power Division	422.92	479.36
	Global Division	89.32	40.09
	Trading Division	0.05	2.46
	Real Estate & Warehousing Division	643.23	327.67
	Unallocated Corporate Assets	1739.07	1496.90
Total Assets		7566.71	6502.60
Segment Liabilities	Freight Division	123.39	124.12
	XPS Division	93.25	66.60
	Supply Chain Solutions Division	287.46	167.19
	Seaways Division	57.50	53.29
	Wind Power Division	4.59	15.64
	Global Division	45.89	20.08
	Trading Division	-	0.76
	Real Estate & Warehousing Division	76.50	-
	Unallocated Corporate Liabilities	480.01	390.93
Total Liabilities		1168.59	838.61
Capital Expenditure	Freight Division	69.51	249.90
	XPS Division	56.01	98.30
	Supply Chain Solutions Division	247.33	33.72
	Seaways Division	4.76	102.92
	Wind Power Division	-	-
	Global Division	3.11	1.90
	Trading Division	-	-
	Real Estate & Warehousing Division	35.84	-
	Unallocated Capital Expenditure	199.36	158.48
Total Capital Expenditure		615.92	645.22
Depreciation	Freight Division	50.66	47.13
	XPS Division	48.00	47.05
	Supply Chain Solutions Division	125.92	120.51
	Seaways Division	39.97	51.39
	Wind Power Division	27.47	27.47
	Global Division	2.03	0.12
	Trading Division	0.01	0.01
	Real Estate & Warehousing Division	1.66	1.85
	Unallocated Depreciation	0.46	1.07

The company operates mainly in India and therefore there are no separate geographical segments.

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(23) CONSOLIDATED NOTES ON ACCOUNTS (Contd.)			
9	Earnings per share		
Particulars		2009-10	2008-09
Net Profit after tax available for equity share holders- for Basic and Diluted EPS	Rupees	412,689,734	332,627,326
Weighted average no. of Equity Shares for Basic EPS	Nos.	72,521,747	72,505,640
Add: Adjustments for stock options	Nos.	27,030	13,143
Weighted average no. of Equity Shares for Diluted EPS	Nos.	72,548,777	72,518,783
Nominal Value of Equity Shares	Rupees	2.00	2.00
Basic Earnings per Equity Share	Rupees	5.69	4.59
Diluted Earnings per Equity Share	Rupees	5.69	4.59

10. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.145.94 million.

11. In respect of assets taken under non-cancelable operating lease, the future minimum lease payments as on 31st March 2010 are:

Particulars	(Amount in Rupees)
i) Not later than one year	832,430
ii) Later than one year and not later than five years	84,200
iii) Later than five years	210,500
Total	1,127,130

12. In respect of assets given under non-cancelable operating lease, the future minimum lease payments, as on 31st March 2010 is Nil.

13. Contingent liability not provided for in respect of:

Particulars	Rupees in Million	
	31st March 2010	31st March 2009
a) Trade Tax/ Octroi/ Duty/ ESI and other demands under dispute	19.55	22.28
b) Guarantees and Counter Guarantees Outstanding	303.39	132.40
c) Income Tax demands under dispute	154.13	111.40

14. In accordance with Accounting Standard (AS 15) "Employee Benefits", adequate provisions have been made in the accounts and there is no further liability expected on this account.

15. Previous year's figures have been regrouped/ rearranged wherever considered necessary.

## ACCOUNTING POLICIES:

1. Recognition of Income and Expenditure:
  - a. Income and expenditure are generally recognized on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
  - b. Freight income is accounted when goods are delivered by the company to customers, except in case of the TCI Seaways Division where freight income is accounted when the ship sails out of the port.
  - c. Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
  - d. Having regard to the size of operations and the nature and complexities of the Company's business, freight received/paid in advance is accounted as income/expense on payment.
  - e. Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents except in case of the TCI Seaways Division where such liability is provided as calculated by the Company's claim department.
2. Gratuity:



## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

### (23) CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

3. Depreciation:  
Depreciation is provided on straight-line method at rates specified in schedule XIV to the Companies Act, 1956 except for pallets and bins included under plant and machinery, the cost whereof are amortised over a period of five years from the date of purchase. Depreciation on additions/ deductions is calculated pro-rata from / to the month of addition / deduction. Individual assets whose actual cost does not exceed Rs. 5,000, except pallets and bins, are fully depreciated in the year of purchase.
4. Fixed Assets:  
a) Fixed Assets are stated at cost and/or at revaluation.  
b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from capital reserve created on revaluation of fixed assets to Profit and Loss Account.
5. Investments:  
Investments are stated at cost.
6. Inventories:  
Inventories are valued at lower of cost and net realisable value.
7. Foreign Exchange Transactions:  
a. All transactions in foreign currency are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.  
b. Monetary items in foreign currency at the year end are converted in Indian Currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:  
i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.  
ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance life of the long-term monetary item, not beyond 31st March 2011.  
c. Any income or expense on account of exchange difference either on settlement or translation is recognised in the profit and loss account  
d. In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.
8. Taxation:  
Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on assessable income. Provision for current income tax on income from shipping activities is made on the basis of deemed tonnage income of the Company.  
The company, except for its TCI Seaways division, provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected.
9. Impairment of Assets:  
The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.
10. Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated portion of the companies. Recognising this purpose, the Company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosure.
11. Significant Accounting Policies followed by Subsidiary, Joint Ventures, to the extent, different and unique from parent.  
a) Transsystem Logistics International Private Limited  
i) Depreciation on fixed assets is provided on straight-line method over their expected useful life at the rates given below

Assets	Rate % p.a.
Motor Trucks & Trailers (including accessories)	20.00/ 50.00
Plant & Machinery	10.00
Furniture & Fixtures	12.50
Office Equipments	16.67
Computers	25.00
Motor Cars & Scooters	20.00

## SCHEDULES TO THE CONSOLIDATED ACCOUNTS

### (23) CONSOLIDATED NOTES ON ACCOUNTS (Contd.)

- ii) Buildings on lease-hold land is amortized over the period of lease or useful life of the assets whichever is less
- b) Ann-Sofie ScanApS:  
(i) Basis of Preparation:  
The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act.  
(ii) Corporation tax and deferred tax:  
The company is jointly taxed with its subsidiary Ann-Sofie Scan Shipping Limited. The group is subject to the rules of the Danish Tonnage Tax Act.
- c) PT. TCI Global  
(i) Basis of preparation:  
The financial statement is reported in conformity with generally accepted accounting principal in Indonesia.  
(ii) Fixed Assets:  
Fixed Assets are stated at cost less accumulated Depreciation, except for land. Depreciation on Fixed Assets other than land is calculated on straight-line method with estimated useful life as follows:  

Office Supplies	25% p.a.
Office Equipments	25% p.a.
- (iii) Deferred Tax:  
The company not doing deferred tax temporary differences between revenue and expenses for the purpose of commercial and tax.
- d) TCI Global (Sanghai) Co. Ltd.  
Depreciation method of fixed assets: The straight line method is used in computing the depreciation of fixed assets, and the depreciation rate is computed according to the original value of fixed assets and the deduction of residual value as per expected service life.
- e) TCI Global Pte. Ltd.  
Depreciation is calculated on a straight-line method to write off the cost of the property, plant and equipment over their estimated useful life at the following annual rates  

Leasehold Property	60 years
Office Equipment	5 years
Computers	3 years
Renovation	5 years
- f) Transport Co of India (Mauritius) Ltd.  
The financial statements have been prepared on a historical basis except trade and other receivables at amortized costs.
- g) TCI Holdings Netherlands B.V.  
The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.
- h) TCI Global (HKG) Ltd.  
The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong, that include Hong Kong Financial Reporting Standards (HKFRSs) and the requirements of the Hong Kong Companies Ordinance.

In terms of our Report of even date	For and on behalf of the Board			
For R S Agarwala & Co. Chartered Accountants	S. M. Datta Chairman	O. Swaminatha Reddy Director	K. S. Mehta Director	D. P. Agarwal Vice Chairman & Managing Director
R.S. Agarwala Partner (Membership No. F-5534)	Vineet Agarwal Executive Director	Chander Agarwal Executive Director	A. K. Bansal Group CFO & Company Secretary	N. K. Baranwal Sr. VP-Group Accounts & Audit
Camp : Gurgaon, Date : 19th May 2010	Place : Gurgaon, Date : 19th May 2010			

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Rs. in lacs 2009-10	Rs. in lacs 2008-09
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and exeptional items	6814.09	5509.67
Adjustments for:		
Depreciation	2961.81	2966.01
Loss (Profit) on sale of Fixed Assets	36.93	5.27
Loss(Profit) on sale of Investments	(10.84)	(1.79)
Lease Rent Payments	22.34	29.73
Interest Payments	2037.44	2622.91
Interest Recieved	(119.85)	(195.87)
Dividend Income	(100.70)	(141.09)
	4827.13	5285.17
Operating profit before Working Capital changes	11641.22	10794.84
Adjustments For:		
Trade and Other Recievables	(6371.99)	(1873.36)
Inventories	(12.46)	6.94
Trade Payables	2585.26	1656.81
Cash Generation From operations	7842.03	10585.23
Interest Paid	(2037.44)	(2622.91)
Direct Taxes Paid/Refund received	(2155.45)	(2396.91)
Net Cash From Operating Activities	3649.14	5565.41
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(6159.21)	(6452.20)
Sale of Fixed Assets	2221.49	209.31
Purchase of Investments	(271.60)	(17.84)
Sale of Investments	203.03	500.74
Foreign Currency Translation Difference	125.93	(102.76)
Loss on Derivative Transactions	(692.55)	(400.00)
Payable against Derivative Transactions	-	400.00
Interest Recieved	119.85	195.87
Dividend Recieved	100.70	141.09
Lease Rent Payments	(22.34)	(29.73)
Loans and Advances	(1309.35)	273.93
Decrease/ (Increase) in Preliminary Expenses to be written off	(11.84)	6.99
Increase/ (Decrease) of Capital Reserve on Consolidation	(59.51)	118.46
Increase/ (Decrease) of Minority Interest/ Goodwill on Consolidation (net)	279.51	172.41
Net Cash From Investing Activities	(5475.89)	(4983.73)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	21.55	-

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Rs. in lacs 2009-10	Rs. in lacs 2008-09
Repayment of Short Term Borrowings	(1003.37)	(60.55)
Proceeds from Long Term Borrowings	1349.92	(56.08)
Repayment of Long Term Borrowings	(1183.75)	(1013.31)
Payment of Dividend	(619.43)	(703.26)
Payment of Dividend Tax	(104.00)	(77.27)
Net Cash From Financing Activities	2798.05	(178.26)
Net Increase(decrease) In Cash & Cash Equivalent(A+B+C)	971.30	403.42
Cash & Cash Equivalent As On 31.03.2009	2853.30	2449.88
Cash & Cash Equivalent As On 31.03.2010	3824.60	2853.30

In terms of our Report of even date  
For R S Agarwala & Co.  
Chartered Accountants

For and on behalf of the Board  
S. M. Datta  
Chairman

O. Swaminatha Reddy  
Director

K. S. Mehta  
Director

D. P. Agarwal  
Vice Chairman &  
Managing Director

R.S. Agarwala  
Partner (Membership No. F-5534)

Vineet Agarwal  
Executive Director

Chander Agarwal  
Executive Director

A. K. Bansal  
Group CFO &  
Company Secretary

N. K. Baranwal  
Sr. VP-Group  
Accounts & Audit

Camp : Gurgaon,  
Date : 19th May 2010

Place : Gurgaon,  
Date : 19th May 2010

### Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of future may be 'forward-looking statements' within the meaning of the applicable securities, laws and regulations. The Company cautions that such statements involve risks and uncertainties and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.