

REPORT OF THE DIRECTORS

Yours Directors have pleasure in presenting this Annual Report and Audited Accounts for the year ended 31st March 2008.

WORKING RESULTS

(Rs. in Million)

Particulars	Consolidated	Standalone	
	2007-08	2007-08	2006-07
Income	12470.4	12029.0	10886.7
Profit before Interest, Depreciation and Taxation	900.1	807.9	742.7
Less : Interest (Net)	169.7	168.2	103.4
Depreciation (Net)	233.2	207.9	199.1
Profit before Tax	497.2	431.8	440.2
Less : Provision for Tax - Current	130.1	109.9	82.3
- Deferred	18.6	18.7	36.6
- FBT	18.9	18.5	15.6
Profit after Tax	329.6	284.7	305.7
Taxes for earlier years	0.4	0.4	-
Add: Balance brought forward	130.1	53.7	52.8
Profit available for appropriation	459.3	338.0	358.5
Appropriations :			
-Interim dividend	21.8	21.8	20.3
-Proposed Dividend	21.8	21.8	20.3
-Dividend Tax	7.3	7.3	6.2
-Tonnage Tax Reserve	15.0	15.0	20.0
-General reserve	200.0	200.0	238.0
Balance carried forward	193.4	72.1	53.7
	459.3	338.0	358.5

CONSOLIDATED FINANCIAL STATEMENTS

For the first time, consolidated financial statements incorporating the financials of one subsidiary / joint ventures for the year ended 31st March 2008 form part of the annual report. The consolidated financial statements are prepared in compliance with the accounting standards and listing agreement as prescribed by the SEBI.

OPERATIONAL REVIEW

On standalone basis, your Company achieved top line growth at 18.23% over the previous year excluding fuel pump income as most of them were hived off last year. Consolidated profit before tax and exceptional items of the Company for the financial year under review was Rs. 497.2 Millions, while consolidated profit after tax was Rs. 329.6 Millions.

DIVIDEND

Interim dividend @ Re.0.30 (15%) per share has been paid in February 2008. Your Directors now recommend final dividend @ Re. 0.30 (15%) per share for the year ended 31st March 2008, taking the total dividend at Re.0.60 per share (30%) on par value of Rs.2/- each-same as last year.

CHANGE IN CAPITAL STRUCTURE

During the year under review, the Company issued and allotted 50,00,000 equity shares to M/s. FID Funds (Mauritius) Ltd. on Preferential basis at a premium of Rs.103.25 per share. Consequently, the Paid-up Capital of the Company stands increased to Rs.14,50,11,280/- comprising of 7,25,05,640 Equity Shares of Rs.2/- each fully paid up w.e.f. 19th September 2007.

INFORMATION REGARDING SUBSIDIARIES

During the year under review, a wholly owned subsidiary company PT, TCI Global, Jakarta, Indonesia was established. An application under section 212(8) of Companies Act, 1956 has been made to the Central Government seeking exemption to attach balance sheet, profit & loss account, directors' report, auditors report and other documents as required under Section 212(1) of the subsidiary company. The affirmative approval for the same is expected shortly.

The summary of the key financials and a statement pursuant to section 212 of the Companies Act, 1956, relating to subsidiary company is attached with this annual report.

The annual account of the subsidiary company and the related information will be made available to the members of the company and its subsidiary, seeking such information at any point of time. The annual accounts of the subsidiary company will be kept for inspection by any member of the company at its registered office and also at the registered office of the subsidiary company.

FIXED DEPOSITS

Public Deposits as on 31st March 2008 stood at Rs. 8.39 Million, out of which Rs. 0.41 Million have matured and remain unclaimed.

There have been no overdue deposits.

DIRECTORS

Mr. R. V. Ragahvan was appointed as additional Director by the Board of Directors in its meeting held on 30th October 2007 to fill the vacancy created in the office of directors due to resignation of Mr. Ravi Uppal. The board places on record its appreciation to the services provided by Mr. Uppal during his tenure.

As per the provisions of the Section 260 of the Companies Act, 1956 Mr. Raghavan shall hold office up to this Annual General Meeting. Mr. Raghavan is eligible for re-appointment as Director of the Company.

The Company has received a Notice along with requisite fee from member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. R.V. Raghavan as Director of the Company.

Mr. S.N. Agarwal and Mr. S.M. Datta, Directors are retiring by rotation at this meeting and being eligible, offer themselves for re-appointment.

AUDITORS

M/s. R.S. Agarwala & Co., Chartered Accountants, Kolkata, retire as the Statutory Auditors of the Company at the end of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

M/s. K.B. Chitracar & 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. Natarajan & Swaminathan, Chartered Accountants, the Branch Auditors for Singapore Branch also retire at the ensuing AGM. Being eligible, they have offered to be re-appointed as Branch Auditors for the year 2008-09.

M/s R.S. Agarwala & Co., Chartered Accountants, Bangalore are proposed to be appointed as the branch auditors for auditing the accounts of the TCI Seaways Division of the Company for the financial year 2008-09.

AUDITORS' REPORT

The observations of the Auditors have been explained in notes 3, 4 & 5 of Schedule 23 to the accounts and do not require any further comments.

HUMAN RESOURCES

Your Board continues to consider human resources as the most valuable asset in an organization and endeavor 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.

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.

CORPORATE GOVERNANCE

Report on Corporate Governance along with the Certificate of the Statutory Auditors confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the stock exchanges form part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

As a concerned corporate citizen, TCI believes in sharing and contributing to the overall development of the nation. We at TCI do not just deliver goods but also believe in sharing health and happiness. Having embraced the philosophy of making life better for all, TCI since its inception has been actively working in the areas of primary education, women development, disaster management and healthcare. TCI is dedicated to socio-economic transformation of rural and remote areas of India, especially the weaker and socially underprivileged groups.

Education:

TCI in association with NGOs and other trusts is running primary schools providing free primary education in rural areas and working for the upliftment of women in these areas. TCI also supports students from economically weaker sections to go for higher education.

Disaster Management:

In times of natural calamities, TCI harnesses resources and is amongst the first to reach and provide relief and medical assistance.

Environment:

TCI is committed to the conservation of the ecological system and follows good environment practices such as rainwater harvesting and periodic pollution control checking of vehicles. We also extend support to organizations working in areas of environment safety and animal welfare.

Healthcare:

Going by the adage- "Good Health is the key to happiness", TCI has associated with hospitals and dispensaries to provide medical amenities to the weaker sections of the economy. Being one of the largest employers of truck drivers, who are a high risk group for contracting HIV/AIDS, TCI Foundation, our social arm has implemented an HIV / AIDS prevention program for long distance truckers through a national network of interventions in 17 major transshipment centers across national highways.

Project Kavach, funded by Avahan (the India AIDs initiative of the Bill & Melinda Gates Foundation) has a unique and innovative approach to HIV prevention amongst the mobile trucking population including running a network of branded clinics providing general health and STI services and counseling to truckers across India.

DIRECTORS' RESPONSIBILITY

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 ("Act") your Directors confirm that:

- (i) In the preparation of the Annual Accounts for the year 2007-08, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, wherever applicable.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the accounting year and of the profit of the Company of the year.
- (iii) The Directors have taken proper and sufficient care of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the Annual Accounts on a going concern basis.

CAUTIONARY STATEMENT

Statements in the Directors Report & Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

STATEMENT OF EMPLOYEES

Statement of particular of employees as required under Section 217(2A) of the Companies Act, 1956 ("the Act") and Rules framed there under forms part of this Report.

ACKNOWLEDGEMENT

Your Directors wish to convey their appreciation to the Banks, Customers and other business associates for the excellent assistance and co-operation received and the shareholders for their continued trust and support and all the employees for their outstanding contribution to the operation during the year.

For & on behalf of the Board

Place : Gurgaon (Haryana)
Dated: 23.05.2008

S N Agarwal
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 2008 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.

For Transport Corporation of India Ltd.

D.P. Agarwal
Vice Chairman & Managing Director

A.K. BansalGroup
Group CFO & Co. Secretary

Place : Gurgaon (Haryana)
Dated: 23.05.2008

ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO

Conservation of Energy and Research & Development:

The operations of company involve low energy consumption. However, various adequate measures have been taken to conserve energy, wherever possible. Your company utilizes various modes of transport viz. Road, Rail, Air and Sea for its logistics business. For conservation of energy and using best technology, constant improvements are being carried form time to time. To improve operational efficiency, following steps have been taken:

- a. The mechanism of RTHSSE (Road Transport Health Safety Security and Environment) continues to yield good results at various fleet centers of Company.
- b. While disposal of tyres, batteries and used oil is done with proper care for soil conservation, there have been further improvements to increase the life of these by using Radial Tyres in select routes and an electronic device to increase the battery life and oil additives to increase the life of oil.
- c. Nearly all the company's fleet is now equipped with Global Positioning System (GPS) and GPRS instruments to track the trucks and cargo. This has resulted in providing updated information to customers as well as reduced costs due to better route and speed monitoring.
- d. There are several additions to the warehousing equipments in the company managed modern Warehouses with high end racking systems, Fork Lifts, Stackers, pallets (both plastic and wooden), Dock Levelers and WMS (Warehouse Management System) for better throughput.
- e. The company is also investing into higher capacity vehicles to reduce the cost per ton per kilometer and bring about greater productivity.

Foreign exchange earnings and outgo:

(Rs. in Million)

	2007-08	2006-07
Foreign Exchange Outgo	202.68	397.21
Foreign Exchange Earnings	87.00	37.54

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 in Rs.	Exp. in Yrs.	Date of Commencement	Previous employment/ position held
1	Employed for full year D.P. Agarwal * B.Com.	59	Vice-Chairman & Managing Director, Overall Management	2,10,07,372	43	10.04.65	Executive, Transport Corporation of India Pvt. Ltd.
2	Vineet Agarwal* B.Sc. (Econ.)	34	Executive Director, General Management	1,29,57,296	12	01.04.96	Executive, Transport Corporation of India Ltd.
3	Chander* Agarwal B.Sc. in Business Administration	29	Executive Director, General Management	40,78,886	6	01.11.2002	Executive, Transport Corporation of India Ltd.

4	O. P. Jain B. Com, LLB(G), FCA	55	President & CEO, Transport Division	30,00,000	29	01.03.1991	General Manager - Finance Bhoruka Steels Limited
5	K. Prabhakar B.A.	55	President & CEO, Express Division	30,00,000	32	01.07.1978	Divisional Manager ABC India Ltd.
6	Ram Ujagar Singh B.A	63	President & CEO, Shipping Division	26,96,593	40	01-04-2005	TCI Seaways Ltd. Managing Director
7	Capt. Karanjit Singh. Master Mariner (FG)	61	President (Technical)	25,09,660	39	01-04-2005	TCI Seaways Ltd. Director

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 and Superannuation Fund but does not include Gratuity paid or contribution made to Gratuity Fund.

*Nature of employment contractual as per the terms of appointment. Mr. D. P. Agarwal being the Chief Promoter holds/controls 67.53% of the paid up equity of the Company through himself & his associates. Mr. D. P. Agarwal is also related to Mr. S. N. Agarwal, Mr. Vineet Agarwal and Mr. Chander Agarwal.

REPORT ON CORPORATE GOVERNANCE

TCI continues to focus on its strategy of adhering to good Corporate Governance in its true spirit. The Company feels that the objective of good corporate governance can be achieved by feeling the imbibed principles of Corporate Governance in its entire working, not just following the legal provisions in its letter.

The primary objective of the management is to create a corporate culture of conscience and consciousness, business honesty, accountability, transparency and ethical socialism.

TCI, therefore, strives to provide the sufficient transparency over corporate policy, strategy and decision making process while maximizing the stakeholders' wealth.

BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. The majority of the Directors on the Board including the Chairman are Non-Executive Directors. It is an optimum combination of executive, non-executive and independent directors headed by Chairman Mr. S. N. Agarwal, a non-executive director. The Board composition as on 31st March 2008 is as follows:

COMPOSITION OF THE BOARD OF DIRECTORS

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. N. Agarwal	Non Executive Chairman	6	2	3	Nil
2	Mr. S. M. Datta	Non Executive Independent Director	15	4	4	2
3	Mr. O. Swaminatha Reddy	Independent Non Executive Director	11	4	2	5
4	Mr. K. S. Mehta	Independent Non Executive Director	13	2	5	2
5	Mr. R. V. Raghavan	Independent Non Executive Director	3	Nil	1	Nil
6	Mr. D. P. Agarwal	VCMD, Executive Promoter Director	4	Nil	1	Nil
7	Mr. M. P. Sarawagi	Non Executive Director	5	6	Nil	Nil
8	Mr. Vineet Agarwal	Executive Promoter Director	3	2	3	Nil
9	Mr. Chander Agarwal	Executive Promoter Director	3	5	Nil	Nil

*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

The Board of Directors of the Company met five times during the financial year 2007-2008. The gap between any two-Board meetings was less than 4 months. The dates of Board meetings, board strength and the detail of Directors attended the board meetings and General Meetings are given below:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	22nd May 2007	9	7
2.	25th July 2007	9	7
3.	10th August 2007	9	4
4.	30th October 2007	9	8
5.	24th January 2008	9	7

ATTENDANCE AT THE BOARD MEETINGS AND THE ANNUAL GENERAL MEETING (AGM)

Sl. No.	Names	No. of Board Meetings attended during the FY 2007-08	Attendance at last AGM held on 25th July 2007
1.	Mr. S. N. Agarwal	3	Yes
2.	Mr. S. M. Datta	4	Yes
3.	Mr. O. Swaminatha Reddy	4	Yes
4.	Mr. K. S. Mehta	3	No
5.	Mr. Ravi Uppal*	NIL	No
6.	Mr. M. P. Sarawagi	4	No
7.	Mr. D. P. Agarwal	5	Yes
8.	Mr. Vineet Agarwal	5	Yes
9.	Mr. Chander Agarwal	4	Yes
10.	Mr. R.V. Raghavan*	1	No

*Mr. Ravi Uppal resigned from the board w.e.f 12th October 2007 and Mr. R. V. Raghavan appointed as Additional Director on 30th October 2007 u/s 260 of the Companies Act, 1956.

CODE OF CONDUCT

Based on the inherent principles of Corporate Governance, business ethics and standards the Company has laid a Code of Conduct for all Board Members and Senior Management Personnel. The code of conduct is also posted on the Company's website <http://www.tcil.com>. All the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct as applicable to them. A declaration to this effect, duly signed by the Managing Director (CEO) is also attached hereto.

BOARD'S FUNCTIONING AND PROCEDURE

TCI Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussions. The Members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

The items placed at the Meetings of the Board include the following:

- Quarterly performance of the Company and its divisions including business wise financial in respect of revenues, profits, cash flows/ balance sheet etc.
- Half yearly summary of all long-term borrowings, guarantee given and investment made.
- Minutes of meetings of audit committee and other committees of the Board.
- Observations made by Internal Auditors and their report thereon (through Audit Committee).
- Status of safety and security, policy over risks assessment/management and related action plan.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Default, if any, in payment of interest and repayment of principal on any public deposits, dues to any major creditor or financial institutions or banks.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property, if any.
- All significant court judgment or order, if any, on the conduct of the Company, subsidiary or any employee, which adversely affect the image of the Company.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Treasury policy, both domestic as well as foreign exchange exposures.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Material happenings of theft, fraud or dishonesty.
- Quarterly Secretarial MIS and Policy on Shareholders Disclosures.

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 hereunder:

A. Mr. S. N. Agarwal has over 37 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 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

Name of Company	Name of Committee
1. Bhuruka Gases Limited	Transport Corporation of India Ltd.
2. TCI Industries Ltd.	1. Shareholders/Investors Grievance
3. Bhoruka Power Corporation Ltd.	Committee - Member
4. Kirloskar Electric Company Ltd.	2. Audit Committee – Member
5. Shahapur Power Ltd.	

6. Iruppu Power Pvt. Ltd.	Kirloskar Electric Company Ltd.
7. Bhoruka Healthcare Pvt. Ltd.	1. Audit Committee - Member 2. Remuneration Committee - Member

B. Mr. S. M. Datta has more than 49 years of rich experience in the field of engineering, technology, management and administration. In the past, he has served as the Chairman, Hindustan Lever Limited and all Unilever's group companies in India and Nepal between 1990-1996. Mr. Datta has done Post Graduation in Science & Technology from Calcutta University and is a Chartered Engineer. He is a Fellow of the Institute of Engineers (India) and Indian Institute of Chemical Engineers. He is also Fellow Member of All India Management Association.

Companies in which Mr. S. M Datta holds Directorship and Committee membership

Name of Company	Name of Committee
1. Castrol India Ltd.,	Transport Corporation of India Ltd.
2. Philips Electronics India Ltd.,	1. Remuneration / Compensation Committee-Chairman
3. IL & FS Investment Managers Ltd.	2. Audit Committee – Member
4. BOC India Ltd.,	Castrol India Ltd.
5. Peerless Hospitex Hospital & Research Centre Ltd.	1. Shareholders/Investors Grievance Committee - Chairman
6. Peerless Gen Fin & Inv Co. Ltd.	IL & FS Investment Managers Ltd
7. Peerless Hotels Ltd.	1. Shareholders/Investors Grievance Committee - Chairman
8. Zodiac Clothing Company Ltd.	2. Compensation Committee - Chairman
9. Kansai Nerolac Paints Ltd.	
10. Atul Ltd.	BOC India Ltd
11. Bhoruka Power Corporation Ltd.,	Audit Committee - Chairman
12. BHW Home Finance Ltd.	Peerless Gen. Fin & Inv. Co. Ltd
13. Rabo India Finance Ltd.	Audit Committee – Member
14. Wockhardt Hospitals Ltd.	Rabo India Finance Ltd.
15. Tata Trustee Co. Pvt. Ltd.	Audit Committee – Member
16. Reach (CargoMovers) Pvt. Ltd.	BHW Home Finance Ltd.
17. Ambit Corporate Finance Pte. Ltd	Remuneration Committee - Member
18. Chandras' Chemicals Enterprises (Pvt) Ltd.	

As on 31.03.2008, Mr. S. N. Agarwal do not hold any shares in the Company.

C. Mr. R. V. Raghavan is a professional manager, with several 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 thirty years of exposure to both finance function and general management of operations. The Directors believe Mr. Raghavan's background will be of value to the Company and recommend his appointment.

Companies in which Mr. Raghavan holds Directorship and Committee membership

Name of Company	Name of Committee
1. Transport Corporation of India Ltd.	Andhra Pradesh Paper Mills Ltd.
2. Andhra Pradesh Paper Mills Ltd.	Remuneration Committee – Member
3. TRF Limited.	Executive Committee (Mill Development) – Member
	TRF Limited
	Audit Committee – Member

As on 31.03.2008, Mr. R. V. Raghavan do not hold any shares in the Company

D. Mr. D. P. Agarwal, a promoter director is associated with the Company for over four decades and has rich experience of cargo transport/ logistics industry. The leadership and business acumen of Mr. D. P. Agarwal has taken the Company to new heights. Under his guidance and directions, the Company has crossed various milestones.

Mr. Agarwal is closely associated with leading Chambers of Commerce and All India Transport Welfare Associations (AITWA), thereby serving the cause of the Industry. He is also very keenly taking up CSR initiatives for Group TCI.

Mr. D. P. Agarwal is also on the Board of following Companies:

Name of Company	Name of Committee
1. TCI Industries Limited	Transport Corporation of India Ltd
2. Bhoruka Power Corporation Ltd	Share Transfer Committee – Chairman
3. Jai Bharat Maruti Limited	Jai Bharat Maruti Ltd
4. Bhoruka International Pvt. Ltd	Audit Committee-Member
5. TCI Airways Pvt. Ltd.	Remuneration Committee-Member
6. TCI Exim Pvt. Ltd.	

E. Mr. Vineet Agarwal has been associated with the Company for last more 12 years. He is a graduate in Economics and Industrial Management from USA. Over the years, Mr. Agarwal has acquired tremendous exposure in the supply chain / logistics industry besides possessing expert managerial prudence. Mr. Agarwal's contributions have led the Company in a big way to become market leader in providing customized Total Logistics Solutions to leading Corporates.

Mr. Agarwal is also actively associated with CII, FICCI, PHDCCI and ASSOCHAM in different capacities, thereby taking the cause of Industry at appropriate forums.

Mr. Vineet Agarwal is also on the Board of following Companies :

Name of Company	Name of Committee
1. Transystem Logistics International Pvt. Ltd	Transport Corporation of India Ltd.
2. Transcorp International Ltd.	1. Shareholders/Investors Grievance Committee -Member
3. Neel Metal Products Ltd.	2. Share Transfer Committee- Member
4. Bussan TCIL Automotive India Pvt. Ltd	Transcorp International Limited
	1. Shareholders/Investors Grievance Committee - Member
	2. Audit Committee – Member

F. Mr. Chander Agarwal, a Graduate in Business Administration from Bryant College, Smithfield. Since his joining, Mr. Agarwal has been actively engaged in various diversification projects of the Company. He has been a driving force in opening overseas offices in various countries in our quest to take the company global.

Mr. Chander Agarwal is also on the board of the following companies:

Name of Company	Name of Committee
1. Transport Corporation of India Ltd	None
2. XPS Cargo Services Ltd	
3. TCI India Ltd	
4. TCI Global Pte. Ltd., Singapore,	
5. TCI Express Pte. Ltd, Singapore	
6. XPS Asia Pacific Pte. Ltd, Singapore	
7. TCI Global HK Pvt. Ltd, Hong Kong	
8. PT. TCI Global, Indonesia	

COMMITTEES OF THE BOARD

I. AUDIT COMMITTEE

As on 31st March 2008 the Audit Committee consists of four Non-Executive Directors, out of which three are Independent. Members of the Audit committee have requisite financial and management expertise and have held or hold senior positions in reputed organization. The constitution of the Audit Committee is in strict compliance of the provisions of Section 292A of Companies Act, 1956 and Clause 49 of Listing Agreement.

The Audit Committee acts as connecting link between the management, statutory and internal auditors and the Board of Directors and is responsible for effective financial reporting process, implication of internal control policies of the management, assessment, review and control of risks involved in the operation of business, compliances of accounting policies, standards and law of land in letter & spirit.

The terms of reference interalia include :

- Overseeing financial reporting processes.
- Reviewing periodic financial results, financial statements and adequacy of internal control systems.
- Approving internal audit plans and reviewing efficacy of the function.
- Discussion and review of periodic audit reports, and
- Discussions with external auditors about the scope of audit including the observations of the auditors.

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board.

Composition and Attendance :

During the year under review, **five** meetings of the Audit Committee were held :

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

The Company Secretary acts as the Secretary to the Committee.

II. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders/Investors' Grievance Committee addresses all complaints, suggestions and grievances expeditiously and replies have been sent/issues resolved promptly except in case of dispute over facts or other legal constraints.

All the complaints received during the year were satisfactorily attended to and there was pending complaint or grievance as at 31st March 2008.

During the year, **five** meetings of the Committee were held :

Name of the Members	No. of Meetings attended
Mr. K.S. Mehta - Chairman	3
Mr. S.N. Agarwal	3
Mr. Vineet Agarwal	5

III. SHARE TRANSFER COMMITTEE

Under the Chairmanship of Mr. D. P. Agarwal, the Board has constituted a Share Transfer Committee which interalia deals with the matters relating to share transfer, de-materialization/re-materialization of shares, splitting/consolidation of shares, duplicate issue of shares, dividend payment etc.

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

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

IV. FINANCE COMMITTEE

The Finance Committee interalia deals with following urgent 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 Members	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

In view of the limited purview, the Finance Committee rarely meets only when due to some unavoidable reasons it may not be possible to hold a full-fledged Board meeting.

V. RESTRUCTURING COMMITTEE
Constitution of Re-structuring Committee:

To re-align the business activities of the Company, the Board has constituted a Restructuring Committee comprising of Directors and senior executives. The Restructuring Committee is in the process of identifying certain properties, being land & buildings, that presently may be in surplus and not in active use for the core business of the Company.

The scope of the Restructuring Committee includes :

1. To evaluate different options to improve financial and operating performance.
2. To evaluate reconstructing the business of the Company by way of creation of any divisions and/or de-merger or otherwise.
3. To carry out valuation of the businesses carried on by the Company.
4. To appoint agencies / consultants / lawyers, etc., whose services may be required to carry out the Reconstruction of the business of the Company.
5. To consider/approve all the incidental business in respect thereof.

COMPOSITION

Name of the Members	Position
Mr. D.P. Agarwal, Vice Chairman & Managing Director	Chairman
Mr. O. Swaminatha Reddy, Director	Member
Mr. M.P. Sarawagi, Director	Member
Mr. A.K. Bansal, Group CFO & Co. Secretary	Member
Mr. N.K. Baranwal, Vice President – Corporate Accounts & Audit	Member

VI. COMPENSATION/ REMUNERATION COMMITTEE

The Compensation Committee of the Directors consisting of a majority of independent directors was constituted by the Board mainly to administer the Employee Stock Options Scheme and to take care the Managerial Remuneration aspect, if need be.

COMPOSITION

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

MANAGERIAL REMUNERATION

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria :

- Performance of the Company, its divisions and units;
- Track record, potential and individual performance; and
- External competitive environment.

Name of Directors	Salary* (Rs.)	Sitting Fees (Rs.)	Commission(Rs.) (Rs.)
Mr. S N Agarwal	Nil	Nil	200000
Mr. S M Datta	Nil	78000	200000
Mr. O. Swaminatha Reddy	Nil	78000	200000
Mr. K S Mehta	Nil	85000	200000
Mr. Ravi Uppal*	Nil	Nil	200000
Mr. R.V. Raghavan*	Nil	15000	Nil
Mr. M P Sarawagi	Nil	Nil	Nil
Mr. D P Agarwal -VCMD	13507372	Nil	7500000
Mr. Vineet Agarwal-Executive Director	8957296	Nil	4000000
Mr. Chander Agarwal-Executive Director	4078886	Nil	Nil

*Mr. Ravi Uppal resigned from the board w.e.f 12th October 2007 and Mr. R.V. Raghavan appointed as Additional Director on 30th October 2007 u/s 260 of the Companies Act, 1956.

- 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.
- While Mr. S. N. Agarwal, Chairman did not accept any sitting fees, Mr. M P Sarawagi has chosen not to take any sitting fee/ commission voluntarily.

EQUITY SHARES HELD BY NON EXECUTIVE DIRECTORS

Except Mr. M. P. Sarawagi who holds 10930 equity shares through his relative, no other non-executive director hold any shares as on 31st March 2008.

DISCLOSURES :
A. Related Party Transactions

Certificate from CEO and Group CFO & Co. Secretary for the financial year ended 31st March 2008 has been provided elsewhere in the Annual Report.

B. Compliance by the Company

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.

MEANS OF COMMUNICATION TO SHAREHOLDERS:

Your Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges immediately the same are taken on record. These financial results are published in leading newspapers in India. The financial results, shareholding pattern and annual report apart from displaying on Company's website <http://www.tcil.com> are also uploaded on electronic data information filling and retrieval (EDIFAR) website namely <http://www.sebidifar.nic.in>.

The official news releases and the presentations made to the investors/analysis is also displayed on the Company's website. Management discussion & analysis report forms part of the report of the directors.

GENERAL SHAREHOLDER INFORMATION

I. ANNUAL GENERAL MEETING: The 13th Annual General meeting of the Company is scheduled to be held on 29th July, 2008. The related information is as follows:

Date	29th July, 2008
Venue	Surana Udyog Hall, Federation of Andhra Pradesh Chambers of Commerce & Industries 11-6-841, Red Hills, Hyderabad-500 004
Time	12:00 Noon
Book Closure Dates	28th & 29th July, 2008
Dividend Payment Date	On or after 30th July, 2008
Financial Calendar	April to March
Listing of Equity Shares at	The National Stock Exchange (NSE), Hyderabad (HSE), and Mumbai (BSE).
Stock Code	NSE-TCI, BSE-532349 & HSE-TCI INDS 6247
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:

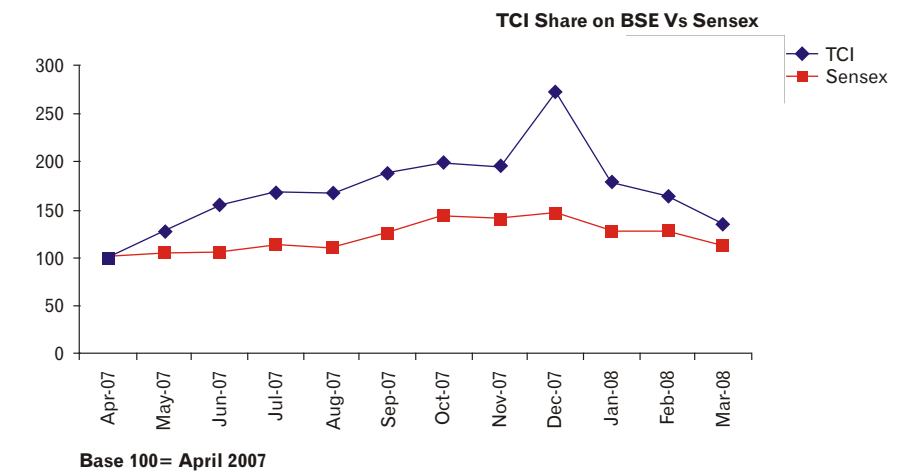
The details of Annual General Meetings held during the last 3 years and the Extra Ordinary General Meeting held during the last one year are given in following table:

Year	Date	Time	Venue	Special Resolution
Annual General Meetings				
2006-07	25 th July 2007	11:00 AM	Surana Udyog Hall, The Federation of Andhra Pradesh, Chambers of Commerce & Industry, 11-6-841, Red Hills, Hyderabad-500004	None
2005-06	23 rd Oct 2006	11:30 AM	- do -	<ol style="list-style-type: none"> 1. Remuneration to the Non executive Directors not exceeding 0.50% of Net Profit 2. Offer, Issue or allot shares under the Employee Stock Option Scheme-2006
2004-05	30 th Aug 2005	11:00 AM	- do -	<ol style="list-style-type: none"> 1. Alteration in the Memorandum of Association 2. Alteration in the Articles of Association 3. Appointment of Mr. Chander Agarwal in the office of place of profit.
Extra Ordinary General Meeting				
2007-08	6 th Sep 2007	01:00 PM	306-307, 1-8-271 to 273, 3 rd Floor, Ashoka Bhoopal Chambers, S.P Raod, Secunderabad-500003	Issue of Preferential shares under Section 81(1A) of the Companies Act, 1956

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

	High	Low	BSE Volume (No. of Shares)	High	NSE Low	Volume (No. of Shares)
April'2007	74.40	56.60	197917	74.05	52.75	349369
May	89.90	63.00	707258	90.30	62.50	846144
June	103.25	82.00	2531645	103.45	81.00	1877584
July	120.90	95.05	2160801	122.70	96.00	2441015
August	121.90	95.20	1013202	125.00	92.00	1144117
September	137.95	104.40	1179480	138.50	105.70	1539453
October	140.80	110.10	898744	160.90	110.00	1482923
November	148.60	123.50	487079	148.00	117.55	900498
December	183.80	123.00	591984	184.40	128.00	896707
January	185.00	103.65	309684	185.00	103.60	612866
February	122.00	97.35	127135	123.80	95.95	247355
March'2008	106.00	71.00	455023	106.00	71.80	569318

The following graph depicts the share price movement of the company's share on BSE Vs BSE Sensex during 2007-08:



V. UNCLAIMED DIVIDENDS:

Pursuant to the provisions of Section 205A read with 205C of the Companies Act, 1956, the dividend lying in unclaimed for the 7 years from the date of its declaration needs to be deposited with "Investor Education and Protection Fund" (IEPF) administered by the Central Government as per status below :

Year	Nature of Dividend	Date of Declaration	Last Date of Transfer
2000-01	Final	7 th Sep, 2001	7 th Oct, 2008
2001-02	Final	7 th Sep, 2002	7 th Oct, 2009
2002-03	Final	29 th Aug, 2003	29 th Aug, 2010
2003-04	Final	4 th Sep, 2004	4 th Oct, 2011

2004-05	Final	3 rd Sep, 2005	3 rd , Oct, 2012
2005-06	Final	23 rd Oct 2006	23 rd Nov 2013
2006-07	Interim	9 th Feb 2007	9 th Mar 2014
2006-07	Final	25 th Jul 2007	25 th Aug 2014
2007-08	Interim	24 th January 2008	23 rd January 2015

The Company also periodically communicates with the shareholders asking them to claim the unclaimed amounts as part of investors' friendly measure.

VI. SHAREHOLDING PATTERN AS ON 31ST MARCH 2008 :

SI No.	Particulars	As on 31 st March, 2008	
		Number of Shares	% of paid up Equity
A	Promoters Shareholding		
1)	Indian	48964235	67.53
2)	Foreign	—	—
	Total (A)	48964235	67.53
B	Public Shareholding		
1)	Institutions		
a.	Mutual Funds	891023	1.23
b.	Financial Institutions / Bank	128785	0.18
c.	Foreign Institutional Investors	7683528	10.60
	Sub Total	8703336	12.01
2)	Non Institution		
a.	Bodies Corporate	1705530	2.35
b.	Individuals	8399889	11.58
c.	Others		
i.	NRI	1164966	1.61
ii.	OCB	2030965	2.8
iii.	HUF	1425885	1.97
iv.	Clearing Members	110834	0.15
	Sub Total	14838069	20.46
	Total (B)	23541405	32.47
	Grand Total (A+B)	72505640*	100.00

*During the financial year 2007-08 the Company has made preferential allotment of 50,00,000 equity shares of Rs. 2/- each to M/s. FID Funds (Mauritius) Ltd.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2008:

Range (Number of Shares)	Shareholders		Shares	
	Nos.	%Age	Nos.	%Age
1-50	2209	11.64	74045	0.10
51-100	2110	11.13	193842	0.27
101-500	12076	63.64	2990793	4.12
501-1000	1414	7.45	1059724	1.46
1001-5000	940	4.95	1863168	2.57
5001-10000	110	0.58	818558	1.13
10001 & above	115	0.61	65505510	90.35
Total	18974	100.00	72505640	100.00

As on 31st March 2008 out of 18974 Shareholders, 8952 held their holding in dematerialized form consisting of 89.32% of total paid up capital of the Company.

STATUS OF SHARE RELATED COMPLAINTS :

Complaint Type	Number of complaints	Number redressed
Issue of Duplicate shares	10	10
Share Exchange Matter	55	55
Share Transfer Matter	28	28
Demat Matter	5	5
Total	98	98

There was no pending complaint needing intervention as on date.

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,
Dilkush Industrial Area, A-387,
G.T.Karnal Road, Azadpur, Delhi- 110033
Tel: 95-11- 4239-0708, 4239-0725, 4239-0909
Fax: 95-11- 2721-5530

Share related communications can also be effected at the dedicated Share Department of the Company at :

Transport Corporation of India Ltd.

Corporate Office :

TCI House, 69, Institutional Area

Sector-32, Gurgaon-122001.

Tel. 0124-238-1603-07 Fax. 0124-238-1611

e-mail : ak.bansal@tcil.com, secretarial@tcil.com

Website : <http://www.grouptci.com>

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report of the Company prepared in terms with SEBI circular No. D&CC/FITTC/CIR-16/2002 dated 31st Dec., 2002, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued /paid up capital of the Company is being circulated to the Board and duly submitted to the stock exchange(s) for every quarter.

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

In accordance with clause 49 sub-clause of the listing agreement with the Stock Exchange, I hereby confirm that, all the Directors and the senior management personnel of the Company have affirmed compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended 31st March 2008

For Transport Corporation of India Limited

Place: Gurgaon
Date : 23rd may 2008

D. P. Agarwal
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. for the year ended on 31st March 2008, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances were pending for a period of one month against the Company as per the records presented to the Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. R.S. Agarwala & Co.
Chartered Accountants

R.S. Agarwala
Partner

Camp: Gurgaon
Date : 23rd May 2008

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 2008, 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 and at Singapore 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, except the accounting standard 11 "The Effects of Changes in Foreign Exchange Rates" as stated in Note 3, 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 2008 and taken on record by the Board of Directors none of the directors is disqualified as on 31st March, 2008 from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.
- vi. Reference is invited to the following notes on schedule 23 :
 - (a) Note 3 regarding non-translation of foreign currency monetary items as required by Accounting Standard -11 "The Effects of Changes in Foreign Exchange Rates".
 - (b) Note 4 regarding non-provision for "Mark to Market" losses on the outstanding derivative instruments.
 - (c) Note 5 regarding change in the Accounting Policy for providing depreciation in the TCI Seaways Division.As a result of non-consideration of items stated in (a) and (b) and change in Accounting Policy stated in item (c), above profit after tax for the year are higher by Rs. 603 lacs and Reserves & Surplus are higher by the same amount.

Subject to para (vi) above :

- vii. 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 2008;
 - 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.

For R S Agarwala & Co.
Chartered Accountants

R S Agarwala
Partner
Membership No.F-5534

Camp : Gurgaon
23rd May, 2008

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 not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has taken unsecured loans during the year aggregate to Rs. 215 lacs from two companies covered in the register maintained under Section 301 of the Act.
(c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
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 firms of Chartered Accountants at certain places to do the internal audit regularly. The in-house internal audit department of the company conducts internal audit at other places. The internal audit system is 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, 2008 which have not been deposited on account of a dispute are as under:

Nature of Dues	Amount (Rs. in lacs)	Forum where pending
Income Tax	88.08	Commissioner (Appeals)
Income Tax	1019.37	Income-tax Appellate Tribunal
Trade Tax	88.38	Trade Tax Officer
Stamp Duty	39.69	Chief Controlling Revenue Authority
Employees' State Insurance	29.00	High Court
Employees' State Insurance	7.06	Civil Court

11. The Company has no accumulated losses as at March 31, 2008 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 Companies has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of Act.
20. There are no debentures outstanding at the year-end.
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.

Camp : Gurgaon
23rd May, 2008

For R S Agarwala & Co.
Chartered Accountants

R S Agarwala

Partner
Membership No.F-5534

BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule	Rupees	31st March 2008 Rupees	31st March 2007 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Capital	1	145,011,280		135,011,280
Reserves and Surplus	2	2,484,903,146		1,744,161,950
			2,629,914,426	1,879,173,230
LOAN FUNDS				
Secured Loans	3	2,277,711,664		2,171,389,423
Unsecured Loans	4	12,632,343		14,424,880
			2,290,344,007	2,185,814,303
DEFERRED TAX LIABILITY	5		282,839,000	264,185,000
TOTAL FUNDS EMPLOYED			5,203,097,433	4,329,172,533
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	6	3,901,261,818		3,551,761,000
Less: Depreciation		1,055,571,867		917,782,146
Net Block		2,845,689,951		2,633,978,854
Capital Work-in-Progress		30,243,483		25,953,062
			2,875,933,434	2,659,931,916
INVESTMENTS	7		158,523,151	55,929,053
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	8	10,192,019		6,840,060
Sundry Debtors	9	1,904,653,571		1,542,763,239
Cash and Bank Balances	10	123,547,995		154,010,502
Loans and Advances	11	626,121,858		344,430,772
		2,664,515,443		2,048,044,573
Less: CURRENT LIABILITIES AND PROVISIONS				
Liabilities	12	327,834,112		309,941,624
Provisions	13	168,040,483		124,791,385
		495,874,595		434,733,009
NET CURRENT ASSETS			2,168,640,848	1,613,311,564
TOTAL ASSETS (NET)			5,203,097,433	4,329,172,533

Notes on Accounts 23

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. **S. M. Datta** Director
Chartered Accountants **O. Swaminatha Reddy** Director
D. P. Agarwal Vice Chairman & Managing Director
Vineet Agarwal Executive Director
A. K. Bansal Group CFO & Company Secretary

R.S. Agarwala
Partner
Camp- Gurgaon, 23rd May, 2008
Place: Gurgaon
Date : 23rd May, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	31st March 2008 Rupees	31st March 2007 Rupees
INCOME			
Freight	14	11,449,822,793	9,747,863,737
Sales & Services	15	535,425,232	1,096,426,474
Other Income	16	43,789,879	42,390,349
		12,029,037,904	10,886,680,560
EXPENDITURE			
Cost of Goods Sold	17	218,780,662	888,373,527
Operating Expenses	18	9,473,234,559	8,048,983,805
Personnel Expenses	19	595,376,832	463,981,066
Administrative Expenses	20	691,256,611	569,964,843
Repairs and Maintenance Expenses	21	242,453,351	172,721,884
Interest (Net)	22	168,265,639	103,399,198
Depreciation (Net)		207,875,917	199,089,006
		11,597,243,571	10,446,513,329
Profit Before Tax		431,794,333	440,167,231
Provision For Tax - Current		109,900,000	82,300,000
- Deferred		18,654,000	36,598,000
- Fringe Benefit		18,500,000	15,600,000
Profit After Tax		284,740,333	305,669,231
Taxes for earlier years		(441,473)	-
Balance brought forward from Previous Year		53,736,819	52,847,428
Balance Available For Appropriation		338,035,679	358,516,659
APPROPRIATIONS :			
Interim Dividend paid		21,755,178	20,251,692
Proposed Dividend		21,751,692	20,251,692
Tax on Dividend		7,393,400	6,282,076
Tonnage Tax Reserve		15,000,000	20,000,000
General Reserve		200,000,000	237,994,380
Balance Carried to Balance Sheet		72,135,409	53,736,819
		338,035,679	358,516,659
Earning per Share - Basic and Diluted (Note on Schedule 23)		3.92	4.53

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. **S. M. Datta** Director
Chartered Accountants **O. Swaminatha Reddy** Director
D. P. Agarwal Vice Chairman & Managing Director
Vineet Agarwal Executive Director
A. K. Bansal Group CFO & Company Secretary

R.S. Agarwala
Partner
Camp- Gurgaon, 23rd May, 2008
Place: Gurgaon
Date : 23rd May, 2008

SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees	31st March 2007 Rupees
(1) SHARE CAPITAL		
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
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and Paid up :		
Equity Shares of Rs.2 each fully paid up :		
21,059,305 Shares paid in cash (5,000,000 shares issued during the year on preferential basis)	42,118,610	32,118,610
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
	<u>145,011,280</u>	<u>135,011,280</u>

(2) RESERVES & SURPLUS

	At 1st April 2007	Additions	Deductions			
Capital Reserves :						
Revaluation Reserve	552,683,423	—	37,976 (a)	145,611,995	552,683,423	
			407,033,452 (d)			
Share Premium	121,616,708	516,250,000 (b)	8,869,418 (c)	628,997,290	121,616,708	
Capital Redemption Reserve	19,400,000	—	—	19,400,000	19,400,000	
Others	25,000	407,033,452 (d)	—	407,058,452	25,000	
				<u>1,201,067,737</u>	<u>693,725,131</u>	
Revenue Reserves :						
General Reserve	890,000,000	200,000,000 (e)	—	1,090,000,000	890,000,000	
Reserve under section 33AC of the Income Tax Act, 1961	47,700,000	—	—	47,700,000	47,700,000	
Tonnage Tax Reserve	59,000,000	15,000,000 (e)	—	74,000,000	59,000,000	
Profit and Loss Account				72,135,409	53,736,819	
				<u>1,283,835,409</u>	<u>1,050,436,819</u>	
				<u>2,484,903,146</u>	<u>1,744,161,950</u>	

- (a) Transferred to Profit and Loss Account being depreciation provided on revalued amount
 (b) On issue of shares during the year
 (c) Represents share issue expenditure
 (d) Transferred from Revaluation Reserve, to Other Capital Reserves as per legal advice
 (e) Transferred from Profit and Loss Account

SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees	31st March 2007 Rupees
(3) SECURED LOANS		
Term Loans from Banks :		
Against hypothecation of Motor Trucks/Motor Cars/Containers purchased there against and all movable assets and book debts of Wind Farm projects and equitable mortgage of specified properties (Repayable within one year Rs. 204,198,438 - Previous year Rs.205,640,201)	574,371,115	615,498,692
Foreign currency loans secured by first charge on three ships, book debts and equitable mortgage of specified properties (Repayable within one year Rs.131,682,550 - Previous year Rs.21,523,500)	511,763,612	533,657,794
Term Loans from Others :		
Secured by equitable mortgage of specified immovable properties and hypothecation of Motor Trucks and Containers purchased thereagainst (Repayable within one year Rs.40,220,334 - Previous year Rs. 39,796,823)	119,183,294	107,997,936
Working Capital Loans from Banks :		
Against hypothecation of Book Debts, Inventories, Fixed Deposit Receipts and equitable mortgage of specified immovable properties	1,072,393,643	914,235,001
	<u>2,277,711,664</u>	<u>2,171,389,423</u>
In addition, loans to the extent of Rs. 18,727 lacs (previous year Rs. 14,690 lacs) are also guaranteed by some of the Directors.		
(4) UNSECURED LOANS		
Fixed Deposits (a) (Repayable within one year Rs.5,043,633 - Previous year Rs.9,483,000)	8,564,633	14,419,000
Short Term Loans and Advances	4,067,710	—
Interest accrued and due	—	5,880
	<u>12,632,343</u>	<u>14,424,880</u>
(a) Includes Rs.86,000 from a director (Previous year Rs.70,000)		
(5) DEFERRED TAX LIABILITY		
	At 1st April 2007	Current Year
Deferred Tax (Asset) Liability		
Difference between book and tax depreciation	265,498,000	19,117,000
Disallowance under section 43B	(1,221,000)	(479,000)
Other Items	(92,000)	16,000
	<u>282,839,000</u>	<u>264,185,000</u>

SCHEDULES TO THE ACCOUNTS
(6) FIXED ASSETS

Description of Assets	AT COST OR VALUATION			DEPRECIATION			NET BLOCK			
	As at 01.04.2007	Additions during the year	Deductions during the year	Balance	Up to 31.03.2007	For the Year	Adjustment on Deductions	Total	31st March 2008	31st March 2007
Land	608,546,848	24,587,003	-	633,133,851	-	-	-	-	633,133,851	608,546,848
Buildings (c)	376,685,666	37,396,287	-	414,081,953	54,751,135	5,779,127	-	60,530,262	353,551,691	321,934,531
Ships	648,631,170	1,399,141	-	650,030,311	154,644,000	11,033,728	-	165,677,728	484,352,583	493,987,170
Motor Trucks	894,210,773	221,168,098	11,896,611	1,103,482,260	450,144,991	122,831,053	10,510,750	562,465,294	541,016,966	444,065,782
Vehicles	74,769,200	22,166,109	11,337,456	85,597,853	21,913,207	6,482,439	5,595,620	22,800,026	62,797,827	52,855,993
Plant and Machinery	564,831,111	24,924,004	2,060,537	587,694,578	62,095,171	31,352,833	931,018	92,516,986	495,177,592	502,735,940
Computers	177,252,017	16,366,689	54,031,076	139,587,630	102,029,992	21,592,557	53,072,839	70,549,710	69,037,920	75,222,025
Containers	65,816,093	64,191,468	-	130,007,561	14,360,902	(1,597,985)	-	12,762,917	117,244,644	51,455,191
Furniture & Fittings	89,237,354	11,573,033	30,210	100,780,177	37,573,721	6,672,315	9,050	44,236,986	56,543,191	51,663,633
Office Equipments	48,116,046	4,716,565	8,891	52,823,720	18,496,041	3,597,564	4,895	22,088,710	30,735,010	29,620,005
Weighing Scales & Chain Pulley	3,291,064	377,202	-	3,668,266	1,434,804	153,463	-	1,588,267	2,079,999	1,856,260
Capital Work -in-Progress	25,953,062	30,243,483	25,953,062	30,243,483	-	-	-	-	30,243,483	25,953,062
<u>Assets on Lease</u>										
Motor Trucks	373,658	-	-	373,658	338,182	16,799	-	354,981	18,677	35,476
TOTAL	3,577,714,062	459,109,082	105,317,843	3,931,505,301	917,782,146	207,913,893	70,124,172	1,055,571,867	2,875,933,434	-
PREVIOUS YEAR	2,622,565,598	998,212,735	43,064,271	3,577,714,062	748,293,044	199,126,982	29,637,880	917,782,146	-	2,659,931,916

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.

SCHEDULES TO THE ACCOUNTS
(7) INVESTMENTS (At Cost)
Long Term Investments
Non-Trade :

Fully Paid Equity Shares of Joint Stock Companies :

Unquoted -

Joint Ventures :

3,920,000	Transystem Logistics International Pvt Ltd. of Rs. 10 each	39,200,000	39,200,000
	Ann-Sofie Scan ApS, Denmark (equivalent to DKK 3,824,750) (acquired during the year)	28,693,926	-

Subsidiary :

2,500	PT. TCI Global, Indonesia of Indonesian Rupiah 908,300 each (acquired during the year)	9,966,250	-
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Others :

300,000	XPS Cargo Services Ltd of Rs. 10 each	3,000,000	3,000,000
		<u>80,860,176</u>	<u>42,200,000</u>

Quoted -

3,500	Canara Bank of Rs. 10 each (600 shares sold during the year)	122,500	143,500
2,500	Indian Petrochemical Corporation Ltd. of Rs 10 each (500 shares sold during the year and 2000 shares converted in to shares of Reliance Industries Ltd.)	-	425,000
200	Biocon Ltd. of Rs. 5 each (sold during the year)	-	119,639
9,200	Gati Ltd. of Rs. 2 each (sold during the year)	-	641,059
10,936	Bhoruka Gases Ltd. of Rs. 2 each	289,132	289,132
2,400	Infosys Technologies Ltd. of Rs. 5 each	3,704,039	3,704,039
2,400	Reliance Industries Ltd. of Rs. 10 each (1,000 shares acquired and 400 shares received on conversion of shares of Indian Petrochemical Corporation Ltd.)	4,128,559	1,006,763
25,000	Reliance Petroleum Ltd. of Rs. 10 each	1,985,648	1,985,648
2,284	Subros Ltd. of Rs. 10 each (sold during the year)	-	524,518
982	Edelweiss Capital Ltd of Rs. 10 each (acquired during the year)	1,243,342	-

Mutual Funds Units :

3,105	UTI Balanced Fund	67,655	67,655
43,221	6.75% Tax Free US 64 Bonds of UTI of Rs 100 each	4,322,100	4,322,100
149,753	JM Basic Fund (acquired during the year)	5,000,000	-
148,368	SBI Magnum Equity Fund (acquired during the year)5,000,000	-	-
280,426	ICICI Prudential Infrastructure Fund (acquired during the year)	5,000,000	-
98,985	Reliance Diversified Power Sector Fund (acquired during the year)	5,000,000	-
48,899	Principal Infrastructure & Services Industries Fund (sold during the year)	-	500,000
		<u>35,862,975</u>	<u>13,729,053</u>

SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees	31st March 2007 Rupees
Share Application Money (pending allotment)	41,800,000	–
	<u>158,523,151</u>	<u>55,929,053</u>
Market value of quoted investments	35,341,151	15,851,797
Investments held/acquired and sold during the year:		
Fully Paid Equity Shares - Quoted:		
3,000 Deccan Aviation Ltd. of Rs. 10 each	–	256,521
500 Maruti Udyog Ltd. of Rs. 5 each	–	427,835
(8) INVENTORIES		
(As taken, valued and certified by the Management)		
At lower of cost and net realisable value		
Diesel and Petrol	1,417,620	1,158,926
Motor Parts, Lubricants and Others	87,115	171,527
Stores & Spare Parts (at cost)	8,687,284	5,509,607
	<u>10,192,019</u>	<u>6,840,060</u>
(9) SUNDRY DEBTORS (Unsecured)		
Outstanding for more than six months - Considered Good	75,345,629	46,264,197
Others - Considered Good	1,829,307,942	1,496,499,042
	<u>1,904,653,571</u>	<u>1,542,763,239</u>
Due by a private company in which a director of the company is a director/ member :		
Transystem Logistics International Pvt. Ltd.	24,374,352	15,870,462
(10) CASH AND BANK BALANCES		
Cash and Cheques in Hand	523,920	510,935
Cash and Cheques in Transit	4,784,136	2,541,860
With Scheduled Banks :		
In Current Accounts	43,410,919	24,990,823
In Deposit Accounts (a)	70,550,127	122,101,291
In Unpaid Dividend Accounts	4,263,213	3,840,468
With Other Banks :		
In Current Accounts		
	Maximum Balance	
Nepal Bank Ltd., Nepal	60,919	12,919
Andaman & Nicobar State Co-operative Bank	152,397	2,761
	<u>123,547,995</u>	<u>154,010,502</u>

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

SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees	31st March 2007 Rupees
(11) LOANS AND ADVANCES (Unsecured-considered good)		
Loans	30,000,000	10,116,340
Advances to/ Due from Joint Venture Companies	6,636,998	–
Advances recoverable in cash or in kind or for value to be received	87,402,594	80,799,001
Advances and Deposits with Landlords	81,718,417	48,971,583
Deposits with Others	84,190,593	49,010,652
Advances for Capital Expenditure	83,575,639	40,747,450
Tax Deducted at Source	252,597,617	114,785,746
	<u>626,121,858</u>	<u>344,430,772</u>
Due from Officers of the Company	3,767,789	2,644,281
Maximum Due During the Year	4,508,689	3,549,412
Loans and Advances due from Associate and Joint Venture Companies:	Amount outstanding	Maximum balance during the year
	Rupees	Rupees
XPS Cargo Services Ltd.	8,947,000	8,947,000
TCI India Ltd.	–	4,000,000
Transystem Logistics International Pvt. Ltd.	977,026	977,026
Ann-Sofie Scan ApS, Denmark	5,659,972	5,659,972
(12) LIABILITIES		
Sundry Creditors	219,134,849	210,939,554
Customers' Credit Balances	24,117,480	24,096,413
Overdrawn Bank Balances	5,639,107	12,674,120
Other Liabilities	30,373,465	26,377,730
Due to Directors	405,858	520,835
Interest Accrued on Loans	17,063,236	10,647,906
Sundry Deposits	26,836,906	20,844,600
Unpaid/Unclaimed Dividend	4,263,211	3,840,466
	<u>327,834,112</u>	<u>309,941,624</u>
There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund		
(13) PROVISIONS		
Taxation (Net of payments)	123,339,372	81,229,438
Gratuity	5,214,895	9,553,272
Leave Encashment	14,037,824	10,315,207
Proposed Dividend	21,751,692	20,251,692
Tax on Dividend	3,696,700	3,441,776
	<u>168,040,483</u>	<u>124,791,385</u>

SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees	31st March 2007 Rupees
(14) FREIGHT		
Freight, Miscellaneous Charges etc. (a) (Tax Deducted Rs.143,138,501 Previous Year Rs.22,099,343)	10,917,351,208	9,329,842,827
Shipping Freight and Charter Hire (Tax Deducted Rs.8,790,714 Previous Year Rs.4,750,253)	532,471,585	418,020,910
	<u>11,449,822,793</u>	<u>9,747,863,737</u>
(a) Includes Demurrage Rs. 26,766,006 (Previous Year Rs.19,316,363)		
(15) SALES & SERVICES		
Sales (Including sale of carbon credits Rs. 10,255,631 - Previous year - Nil)	314,900,642	959,468,646
Logistics and Other Services(Tax Deducted Rs.9,658,864 - Previous year- Rs.2,343,846)	218,557,966	135,540,894
Bus Operations	501,670	481,688
Commission	1,464,954	935,246
	<u>535,425,232</u>	<u>1,096,426,474</u>
(16) OTHER INCOME		
Rent (Tax deducted Rs.6,206,572 - Previous Year Rs.4,662,286) (a)	25,274,768	25,463,353
Dividends on Investments :		
Long Term	4,978,063	4,055,510
Short Term	-	1,750
Miscellaneous Income (Tax deducted Rs. Nil - Previous year - Rs. 58,733)	7,854,611	2,293,082
Profit on sale of Fixed Assets (Net)	-	116,606
Profit on sale of Investments (Net)	550,076	4,007,397
Unspent Liabilities/Excess Provisions written back (b)	1,200,000	1,161,172
Bad Debts and Irrecoverable Balances written off in earlier years, realised	2,023,493	5,190,133
Surplus on sale of fixed assets of Fuel Pumps	-	101,346
Exchange Rate Difference (net) (c)	1,908,868	-
	<u>43,789,879</u>	<u>42,390,349</u>
(a) Includes for earlier years Rs. 197,109 (Previous year - Rs. 895,774)		
(b) Represents excess directors' commission provided in the preceding year (Previous year - Nil)		
(c) Include exchange gain of Rs. 2,606,941 on account of repayment of foreign currency loan taken for acquisition of ships		
(17) COST OF GOODS SOLD		
Purchases	218,954,944	878,819,869
Add: Decrease/(Increase) in Closing Stock	(174,282)	9,553,658
	<u>218,780,662</u>	<u>888,373,527</u>

SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees	31st March 2007 Rupees
(18) OPERATING EXPENSES		
Freight	7,895,665,196	6,703,875,098
Vehicles' Trip Expenses	869,557,802	808,151,380
Tyres & Tubes etc.	52,859,248	49,439,323
Other Expenses	266,544,225	197,944,874
Claims for loss & damages (Net)	16,558,222	15,184,324
Commission	9,040,558	8,386,399
Vehicles' Taxes	33,998,206	26,148,915
Vehicles' and Ship Insurance	19,451,461	15,519,713
Power, Fuel and Water Charges	91,112,961	70,114,632
Stores & Spare Parts Consumed	28,315,916	26,349,009
Port and Survey Expenses	26,865,102	19,394,127
Stevedoring and Cargo Expenses	92,517,811	68,931,508
Wages, Bonus and Other Expenses - Floating Staff	70,514,335	39,345,950
Contribution to Provident & Other Funds -Floating Staff	233,516	198,553
	<u>9,473,234,559</u>	<u>8,048,983,805</u>
(19) PERSONNEL EXPENSES		
Salaries, Wages & Bonus	480,129,949	359,964,803
Gratuity	6,300,000	12,710,788
Contribution to Provident & Other Funds	36,628,766	29,792,768
Contribution to Employees' State Insurance	6,739,330	5,297,742
Staff Welfare & Development Expenses	65,578,787	56,214,965
	<u>595,376,832</u>	<u>463,981,066</u>
(20) ADMINISTRATIVE EXPENSES		
Rent	144,917,580	116,361,570
Rates and Taxes	6,236,954	4,923,737
Insurance	5,593,998	6,188,567
Telephone Expenses	74,104,400	71,671,754
Printing and Stationery	47,150,777	41,500,635
Travelling Expenses	99,935,913	85,499,259
Legal Expenses	7,196,035	4,977,107
Postage and Telegram	6,525,931	5,711,188
Electricity Expenses	27,481,750	25,191,281
Bank Charges	11,475,943	9,522,640
Advertisement Expenses	9,835,174	9,812,401
Miscellaneous Expenses(a)	200,570,485	144,577,089
Remuneration to Directors		
Salaries	16,200,000	13,000,000
Commission	12,750,000	15,000,000
Fees	256,000	231,000

SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees	31st March 2007 Rupees
Remuneration to Auditors		
Audit fees	621,540	621,983
Tax audit fees	211,493	211,493
Other services	–	7,538
Sales Tax (Net)	22,757	31,772
Lease Rent Payments	2,146,759	1,384,757
Bad Debts and Irrecoverable Balances Written Off (Net)	7,899,916	8,953,932
Agricultural Expenses (Net)	152,264	274,941
Charity & Donations	4,358,360	3,429,358
Loss on sale/discard of Fixed Assets (Net)	5,612,582	–
Exchange Rate Difference (Net)	–	880,841
	<u>691,256,611</u>	<u>569,964,843</u>
(a) Includes Rs. 720,000 to a director for services of a professional nature (Previous Year Rs 720,000)		
(21) REPAIRS & MAINTENANCE EXPENSES		
Motor Trucks	106,921,117	93,537,421
Other Vehicles	24,457,556	18,625,285
Ships	11,953,928	11,945,736
Dry Docking Expenses	62,846,887	14,373,034
Plant & Machinery	5,583,884	6,186,771
Computers	15,663,980	14,573,612
Buildings (a)	15,025,999	13,480,025
	<u>242,453,351</u>	<u>172,721,884</u>
(a) Includes for earlier years Rs. 103,931 (Previous year - Rs. nil)		
(22) INTEREST		
Fixed Loans	110,751,783	62,792,330
Fixed Deposits	2,089,356	1,715,149
Others	65,207,473	51,065,871
	<u>178,048,612</u>	<u>115,573,350</u>
Less : Interest Recieved (Tax deducted Rs.1,831,048 Previous year Rs.2,779,765)	<u>(9,782,973)</u>	<u>(12,174,152)</u>
	<u>168,265,639</u>	<u>103,399,198</u>

(23) NOTES ON ACCOUNTS

	31st March 2008 Rupees	31st March 2007 Rupees
1. Total Remuneration to Directors:		
Salaries	16,200,000	13,000,000
Commission	12,750,000	15,000,000
Money Value of perquisites	8,543,554	6,150,856
Contribution to Provident / Superannuation Funds	1,800,000	1,476,000
Directors' Fees	256,000	231,000
2. Computation of net profit in accordance with Section 309 (5) of the Companies Act, 1956		
Profit before tax	431,794,333	440,167,231
Add:		
Depreciation as per accounts	207,875,917	199,089,006
Directors' Remuneration	39,549,554	35,857,856
	<u>247,425,471</u>	<u>234,946,862</u>
	679,219,804	675,114,093
Less:		
Depreciation under section 350	235,496,894	199,089,006
Excess provision written back	1,200,000	211,172
Capital profit on sale of Investments	550,076	4,007,397
	<u>237,246,970</u>	<u>203,307,575</u>
Net Profit computed in accordance with section 309 (5)	441,972,834	471,806,518
Commission payable to:		
Managing Director - 2%	8,839,457	9,436,130
Executive Director - 1%	4,419,728	4,718,065
Non Executive Directors - 0.5%	2,209,864	2,359,033
Restricted to:		
Managing Director	7,500,000	8,500,000
Executive Director	4,000,000	4,300,000
Non Executive Directors	1,250,000	2,200,000

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

3. Accounting Standard (AS 11) "The Effects of changes in Foreign Exchange Rates" requires translation of foreign currency monetary items at the year-end exchange rate. In terms thereof on translation of Foreign Currency borrowings at the year-end exchange rate, there would be notional exchange gain of Rs. 43.56 Millions. Having regard to the fact that borrowings are mainly for the purpose of capital expenditure and also in view of the uncertainties involved in the fluctuating exchange rates, the Board of Directors do not consider it prudent to account for the said notional gain. Accordingly, the same has not been given effect to in these accounts, which is at variance to the treatment prescribed by AS 11.

NOTES ON ACCOUNTS

4. Pursuant to the announcement on "Accounting for Derivatives" issued by the Institute of Chartered Accountants of India, 'Mark-to-Market' losses on the derivative instruments outstanding at March 31,2008 aggregate to Rs. 25.41 Millions. The derivative transaction relate to an underlying contract. In view of the uncertainties involved in the fluctuating exchange rate and as the actual gain/ loss would be determined only on settlement of the relevant contract, the said notional loss has not been considered in these accounts.
5. Hitherto, depreciation on fixed assets in TCI Seaways Division was provided on written down value method and in other divisions on straight-line method at rates specified in schedule XIV to the Companies Act, 1956. In order to follow uniform depreciation policy across all the divisions, depreciation during the year has been provided in TCI Seaways Division on straight-line method as well and depreciation charged in earlier years has been recomputed. Due to this change, the depreciation charge of the year is lower by Rs. 44.67 Millions and excess depreciation of Rs. 27.62 Millions charged on earlier basis in the past years has been adjusted during the year.
6. The net depreciation charged for the year is arrived at as follows:

	Rupees	Rupees
Depreciation for the year	235,534,870	199,126,982
Deduct:		
Excess depreciation charged in earlier years in the TCI Seaways Division (note 5)	27,620,977	—
Transfer from Capital Reserve on account of depreciation provided on revalued amount	37,976	37,976
Net depreciation charged in Profit & Loss Account	207,875,917	199,089,006

7. Related party disclosures

- a. List of related parties:

i. Key Management Personnel :

- Mr. D.P. Agarwal
- Mr. Vineet Agarwal
- Mr. Chander Agarwal

ii. Relatives of Key management Personnel :

- Mrs. Urmila Agarwal (wife of Mr.D.P.Agarwal)
- Mr. Ashok Agarwal (Brother of Mr.D.P.Agarwal)
- Mrs. Priyanka Agarwal (wife of Mr. Vineet Agarwal)
- Mrs. Chandrima Agarwal (wife of Mr. Chander Agarwal)

iii. Associates :

- TCI Logistics Ltd
- TCI Exim Pvt. Ltd.
- Bhoruka Finance Corporation of India Ltd
- XPS Cargo Services Ltd
- TCI Industries Ltd
- Etrallog.com Solutions Ltd.
- Bhoruka International Pvt. Ltd
- TCI India Ltd
- TCI Airways Pvt. Ltd
- TCI Distribution Centres Ltd.

iv. Subsidiary :

- PT TCI Global, Indonesia

PT TCI Global is a 100% subsidiary incorporated during the year in Indonesia with an objective to expand global logistics business.

Aggregate amounts related to 100% interest of PT TCI Global, Indonesia :

NOTES ON ACCOUNTS

		Amount (Rs. In Million)	
Assets as on 31.03.2008	9.34	Income for the year ended 31.03.2008	0.01
Liabilities as on 31.03.2008	nil	Expenses for the year ended 31.03.2008	0.07

v. Joint ventures :

- Ann-Sofie Scan ApS, 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 Scan ApS is engaged in the business of shipping.

Aggregate amounts related to 50% interest of TCI in Ann-Sofie Scan ApS :

		Amount (Rs. In Million)	
Assets as on 31.12.2007	172.43	Income for the year ended 31.12.2007	65.54
Liabilities as on 31.12.2007	136.86	Expenses for the year ended 31.12.2007	58.66

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 31.03.2008	236.84	Income for the year ended 31.03.2008	498.56
Liabilities as on 31.03.2008	82.93	Expenses for the year ended 31.03.2008	439.38

- b. Transactions with related parties :

Nature of Transaction	Nature of Relation	Amount (Rupees)	Amount (Rupees)
		2007-08	2006-07
Income:			
Freight Income	Associates	12,345	—
	Joint Ventures	217,262,785	150,206,570
Shipping Freight	Joint Ventures	655,669	—
Logistics Services	Joint Ventures	10,492,049	—
Sales	Associates	—	5,205,614
	Joint Ventures	—	50,834,896
Rent Received	Joint Ventures	—	9,863,501
Interest Received	Associates	—	295,750
Miscellaneous Income	Associates	—	348,200
Reimbursement of Expenses	Joint Ventures	12,743,589	10,983,056
Expenditure:			
Freight Expenses	Associates	22,435,835	34,651,353
	Joint Ventures	1,140,427	—

NOTES ON ACCOUNTS

		Amount (Rupees) 2007-08	Amount (Rupees) 2006-07
Fuel Purchases	Associates	66,231,861	–
Rent Paid	Associates	8,558,000	8,268,000
	Relatives of Key Management Personnel	600,000	600,000
Interest Paid	Associates	183,986	–
Salary & Perquisites	Relatives of Key Management Personnel	1,781,548	2,170,117
Remuneration and Commission	Key Management Personnel	38,043,554	33,426,856
Finance & Investment :			
Investments Made	Joint Ventures	28,693,926	–
	Subsidiary	9,966,250	–
Share Application Money Given	Associates	41,800,000	–
Loans Given	Associates	–	1,155,350
Refund of Loans Given	Associates	–	2,747,993
Loans Taken	Associates	21,500,000	–
Refund of Loans Taken	Associates	17,500,000	–
Advances/ Deposits Given	Associates	8,020,000	9,509,058
	Joint Ventures	5,659,972	–
Refund of Advances/ Deposits Given	Associates	4,000,000	6,442,058
Advances/ Deposits Taken	Key Management Personnel	–	601,500
Refund of Advances/ Deposits Given	Key Management Personnel	114,977	247,047
Sale of Fixed Assets	Associates	27,547	845,569
Purchase of Fixed Assets	Associates	10,700,000	–
	Joint Ventures	5,473,000	–
Balances as at the year end :			
Assets :			
		31st March 2008	31st March 2007
Investments Made	Associates	3,000,000	3,000,000
	Joint Ventures	67,893,926	39,200,000
	Subsidiary	9,966,250	–
Trade Receivables	Associates	–	179,228
	Joint Ventures	24,374,352	15,894,078
Advances/ Deposits Given	Associates	8,947,000	4,927,000
	Joint Ventures	6,636,998	–
	Relatives of Key Management Personnel	240,000	240,000

NOTES ON ACCOUNTS

		31st March 2008 Rupees	31st March 2007 Rupees
Rent Receivables	Joint Ventures	–	974,172
Liabilities:			
Loans Taken	Associates	4,067,710	–
Trade Payables	Associates	1,757,401	–
Advances/ Deposits Taken	Key Management Personnel	–	468,578
Interest Payable	Associates	74,585	–
8. Segment Information			
		Rupees in millions	
	Divisions	2007-08	2006-07
Revenue			
Segment Revenue	Transport Division	6570.51	5736.07
	XPS Division	3224.42	2632.95
	Supply Chain Solutions Division	1447.21	1130.78
	TCI Seaways Division	561.52	434.94
	Wind Power Division	92.39	59.77
	Trading Division	222.51	900.28
	Real Estate Division	1.00	0.00
		12119.56	10894.79
	Less: Inter Segment Revenue	(98.50)	(18.58)
Net Income from Operations		12021.06	10876.21
Segment Results			
	Transport Division	212.19	161.80
	XPS Division	204.85	170.75
	Supply Chain Solutions Division	49.05	79.21
	TCI Seaways Division	89.83	93.02
	Wind Power Division	63.11	35.34
	Trading Division	2.93	6.12
	Real Estate Division	(0.75)	0.00
Un-allocated Corporate Income net of Unallocated Corporate Expenses		(21.15)	(2.67)
Interest Expenses (net of income)		(168.27)	(103.40)
Profit Before Tax		431.79	440.17
Other Information			
Segment Assets	Transport Division	1400.94	1137.86

NOTES ON ACCOUNTS

	31st March 2008 Rs. in Millions	31st March 2007 Rs. in Millions
XPS Division	852.38	638.04
Supply Chain Solutions Division	658.41	546.69
TCI Seaways Division	749.00	680.18
Wind Power Division	487.72	513.66
Trading Division	2.00	6.35
Real Estate Division	418.09	0.00
Unallocated Corporate Assets	984.82	688.44
Total Assets	5553.36	4211.22
Segment Liabilities		
Transport Division	143.19	118.28
XPS Division	60.85	47.80
Supply Chain Solutions Division	91.37	84.55
TCI Seaways Division	13.06	9.65
Wind Power Division	3.31	37.11
Trading Division	0.67	1.49
Real Estate Division	0.00	0.00
Unallocated Corporate Liabilities	183.42	135.85
Total Liabilities	495.87	434.73
Capital Expenditure		
Transport Division	113.72	106.10
XPS Division	58.17	84.18
Supply Chain Solutions Division	143.79	118.31
TCI Seaways Division	66.48	387.01
Wind Power Division	0.00	85.19
Trading Division	0.01	0.00
Real Estate Division	11.43	0.00
Unallocated Capital Expenditure	39.56	210.53
Total Capital Expenditure	433.16	991.32
Depreciation		
Transport Division	37.02	34.56
XPS Division	42.68	37.53
Supply Chain Solutions Division	89.32	65.57
TCI Seaways Division	9.53	31.48
Wind Power Division	27.47	23.01
Trading Division	0.00	0.08
Real Estate Division	1.75	0.00
Unallocated Depreciation	0.11	6.86
Total Depreciation	207.88	199.09

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

NOTES ON ACCOUNTS

9. Earning per share			
Particulars	31st March 2008	31st March 2007	
No. of Equity Shares	72,505,640	67,505,640	
Net Profit after tax	(Rupees) 284,298,860	305,669,231	
Basic/Diluted Earning per Share of Rs.2/- each	(Rupees) 3.92	4.53	
10. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.81.31 million.			
11. In respect of assets taken under non-cancelable operating lease, the future minimum lease payments as on 31st March 2008 are:			
	(Amount in Rupees)		
i) Not later than one year		1,993,505	
ii) Later than one year and not later than five years		3,035,905	
iii) Later than five years		489,130	
Total		<u>5,518,540</u>	
12. In respect of assets given under non-cancelable operating lease, the future minimum lease payments, as on 31st March 2008 is Nil.			
13. Previous year's figures have been regrouped/rearranged wherever considered necessary.			
14. Contingent liability not provided for in respect of:			
			Rupees in million
	31st March 2008	31st March 2007	
a) Trade Tax/ Octroi/ Duty/ ESI and other demands under dispute	17.98	17.08	
b) Guarantees and Counter Guarantees Outstanding	119.29	8.05	
c) Income Tax demands under dispute	110.74	93.71	
15. In accordance with Accounting Standard (AS 15) " Employee Benefits", adequate provisions have been made in the accounts and there is no further liability is expected on this account.			

ACCOUNTING POLICIES:

1. Recognition of Income and Expenditure:

- 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.
- 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.
- Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
- 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.
- Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery

NOTES ON ACCOUNTS

agents except in case of the TCI 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 of 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 do not exceed Rs. 5,000, except pallets and bins, are fully depreciated in the year of purchase.

4. Fixed Assets:

- Fixed Assets are stated at cost and/or at revaluation.
- 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:

Petroleum products are valued at lower of cost and net realisable value. Stores & spare parts are valued at cost.

7. Foreign Exchange Transactions:

- All transactions in foreign currency are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
- Monetary items in foreign currency at the year end are converted in Indian Currency at the year end rates and resultant gain or loss is accounted during the year.
- Any income or expense on account of exchange difference either on settlement or translation is recognised in the profit and loss account.
- 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 recognised 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.

NOTES ON ACCOUNTS
ADDITIONAL INFORMATION UNDER PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

	Unit	31st March, 2008		31st March, 2007	
		Quantity	Amount Rupees	Quantity	Amount Rupees
A) Generation of Energy					
Generation at wind mill project	Units	16,525,591	—	13,723,874	—
Sales of Energy	Units	16,525,591	82,133,535	13,723,874	59,765,079
B) Goods Traded					
	Unit	Quantity	Amount Rupees	Quantity	Amount Rupees
Sales					
Diesel & Petrol	Ltrs	6,214,363	221,508,432	22,668,425	894,137,947
Motor Parts, Lubricants and Others	—	—	1,003,044	—	5,565,620
			<u>222,511,476</u>		<u>899,703,567</u>
Purchases					
Diesel & Petrol	Ltrs	6,228,000	218,191,180	22,490,000	875,275,239
Motor Parts, Lubricants and Others	—	—	763,764	—	3,544,630
			<u>218,954,944</u>		<u>878,819,869</u>
Opening Stock					
Diesel & Petrol	Ltrs	32,560	1,158,926	250,621	9,370,367
Motor Parts, Lubricants and Others	—	—	171,527	—	1,513,744
			<u>1,330,453</u>		<u>10,884,111</u>
Closing Stock					
Diesel & Petrol	Ltrs	39,306	1,417,620	32,560	1,158,926
Motor Parts, Lubricants and Others	—	—	87,115	—	171,527
			<u>1,504,735</u>		<u>1,330,453</u>
C) C.I.F. Value of Imported & Indigenous Stores and Spare Parts Consumed:					
		% to Total Consumption	Amount Rupees	% to Total Consumption	Amount Rupees
Imported		4.86%	1,376,051	1.73%	457,118
Indigenous		95.14%	269,398,65	98.27%	258,918,91
		<u>100.00%</u>	<u>28,315,916</u>	<u>100.00%</u>	<u>26,349,009</u>
D) Expenditure in Foreign Currency					
Capital Goods			60,194,946		380,351,958
Investments in Subsidiary & Joint Venture			38,660,176		—
Advances to Joint Venture			5,659,972		—
Shipping Freight			521,873		—
Traveling Expenses			9,908,042		6,259,793
Remittances to Foreign Branch			8,829,325		739,925
Medical Expenses (Recoverable)			—		454,498

NOTES ON ACCOUNTS

Conference and Seminar	362,610	–
Consultancy Charges	1,100,457	77,815
Subscription	248,373	565,306
Interest	45,746,007	5,041,774
Staff Training Programmes	1,205,843	–
Insurance	2,957,789	2,290,989
Dry-dock	22,213,718	–
Spare Parts	1,376,051	750,244
Other Ship Operating Expenses	3,687,684	539,543
Others	5,958	134,544

E) Earnings in Foreign Currency

Freight Income	68,149,098	37,544,851
Sale of Carbon Credits	10,255,631	–
Exchange Rate Difference (net)	1,908,868	–
Miscellaneous Income	6,686,676	–

Signatures to Schedules 1 to 23

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 Director
O. Swaminatha Reddy Director
D. P. Agarwal Vice Chairman & Managing Director
Vineet Agarwal Executive Director
A. K. Bansal Group CFO & Company Secretary

R.S. Agarwala
Partner
Camp- Gurgaon, 23rd May, 2008

Place: Gurgaon
Date : 23rd May, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	<u>Rs in lacs</u>	<u>Rs in lacs</u>
	<u>2007-08</u>	<u>2006-07</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	4317.94	4401.67
Adjustments for :		
Depreciation	2078.76	1990.89
Loss (Profit) on sale of Fixed Assets	56.13	(2.18)
Loss(Profit) on sale of Investments	(5.50)	(40.08)
Interest Payments	1780.49	1155.73
Interest Recieved	(97.83)	(121.74)
Dividend Income	(49.78)	(40.57)
	<u>3762.27</u>	<u>2942.05</u>
Operating profit before Working Capital changes	8080.21	7343.72
Adjustments For :		
Trade and Other Recievables	(4373.99)	(4648.24)
Inventories	(33.52)	92.05
Trade Payables	190.31	(19.88)
Cash Generation From operations	3863.01	2767.65
Interest Paid	(1780.49)	(1155.73)
Direct Taxes Paid/Refund received	(2245.43)	(1064.69)
NET CASH FROM OPERATING ACTIVITIES	(162.91)	547.23
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4331.56)	(9913.23)
Sale of Fixed Assets	36.28	67.55
Purchase of Investments	(1048.25)	(82.18)
Sale of Investments	27.81	169.93
Interest Recieved	97.83	121.74
Dividend Recieved	49.78	40.57
Loans and Advances	(683.72)	(84.58)
NET CASH FROM INVESTING ACTIVITIES	(5851.83)	(9680.20)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital	5173.81	0.00
Proceeds from Short Term Borrowings	1622.26	7980.79
Repayment of Short Term Borrowings	(58.60)	(3049.94)
Proceeds from Long Term Borrowings	291.45	5848.08

Repayment of Long Term Borrowings	(809.81)	(227.70)
Payment of Dividend	(435.07)	(405.03)
Payment of Dividend Tax	(73.93)	(62.82)
NET CASH FROM FINANCING ACTIVITIES	5710.11	10083.38
NET INCREASE(DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)	(304.63)	950.41
CASH & CASH EQUIVALENT AS ON 31.03.2007	1540.11	589.70
CASH & CASH EQUIVALENT AS ON 31.03.2008	1235.48	1540.11

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 Director
O. Swaminatha Reddy Director
D. P. Agarwal Vice Chairman & Managing Director
Vineet Agarwal Executive Director
A. K. Bansal Group CFO & Company Secretary

R.S. Agarwala
 Partner
 Camp- Gurgaon, 23rd May, 2008

Place: Gurgaon
Date : 23rd May, 2008

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

1 Registration Details :

Registration No. 191116 State Code 01 Balance Sheet Date 31/3/2008
 Date Month Year

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

Public Issue	Rights Issue	Bonus Issue	Private Placement
N i l	N i l	N i l	526250

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

Total Liabilities	Total Assets
5203097	5203097

Sources of Funds:

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
145011	2484903	2277712	12632
Deferred Tax Liability			
282839			

Application of Funds:

Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure
2875933	158523	2168641	N i l

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

Turnover	Total Expenditure	Profit before Tax	Profit after Tax
12029038	11597244	431794	284740
Earning per Share (in Rs.)	Dividend Rate %		
3.92	30		

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

Item Code No. (ITC Code)	Production Description
N i l	Transport, Shipping & Logistics Services

For and on behalf of the Board

S. M. Datta Director
O. Swaminatha Reddy Director
D. P. Agarwal Vice Chairman & Managing Director
Vineet Agarwal Executive Director
A. K. Bansal Group CFO & Company Secretary

Place: Gurgaon
Date : 23rd May, 2008

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

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			
		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 Subsidiary's Financial Year ended on March 31, 2008	For Previous Financial Year of the subsidiary since it became subsidiary of TCIL	For Subsidiary's Financial Year ended on March 31, 2008	For Previous Financial Year of the subsidiary since it became subsidiary of TCIL
PT. TCI Global	31st March, 2008	2500 Shares of Indonesia Rupiah 908300 each (Equivalent to Rs. 3939 each)	100	Nil	Nil	(6.27)	Nil

Note : Exchange Rate as on 31st, March 2008 was 1 Indonesia Rupia =0.004337 INR

Financial Details of Subsidiary as required under Section 212(1)& (8) of the Companies Act, 1956

Financial Year ended 31st March, 2008

(Rs. in lacs)

Name of the Subsidiary	Paid-Up Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend
PT. TCI Global	99.66	Nil	93.41	93.41	Nil	0.59	(6.27)	Nil	(6.27)	Nil

For and on behalf of the Board

S. M. Datta Director
O. Swaminatha Reddy Director
D. P. Agarwal Vice Chairman & Managing Director
Vineet Agarwal Executive Director
A. K. Bansal Group CFO & Company Secretary

Place: Gurgaon
 Date : 23rd May, 2008

AUDITORS' REPORT

TO THE MEMBERS 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 company and joint venture companies (collectively called 'the TCI Group') as at March 31, 2008 and the Consolidated Profit and Loss Account 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. 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 2008 and
- (b) In the case of Consolidated Profit & Loss Account, of the profit of the TCI Group for the year ended on that date

For R S Agarwala & Co.
 Chartered Accountants

R S Agarwala
 Partner
 Membership No.F-5534

Camp : Gurgaon
 Date : 23rd May, 2008

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule	31st March, 2008	
		Rupees	Rupees
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	145,011,280	
Reserves and Surplus	2	2,606,133,781	2,751,145,061
LOAN FUNDS			
Secured Loans	3	2,426,148,056	
Unsecured Loans	4	12,632,343	2,438,780,399
DEFERRED TAX LIABILITY	5		288,715,668
TOTAL FUNDS EMPLOYED			5,478,641,128
APPLICATION OF FUNDS			
Exchange difference on consolidation			1,239,754
FIXED ASSETS			
Gross Block		4,170,143,950	
Less : Depreciation		1,132,720,538	
Net Block		3,037,423,412	
Capital Work-in-Progress		53,172,326	
			3,090,595,738
INVESTMENTS	7		80,662,975
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	8	10,192,020	
Sundry Debtors	9	1,958,767,945	
Cash and Bank Balances	10	244,987,858	
Loans and Advances	11	633,479,667	
		2,847,427,490	
Less : CURRENT LIABILITIES AND PROVISIONS			
Liabilities	12	363,317,313	
Provisions	13	179,526,154	
		542,843,467	
NET CURRENT ASSETS			2,304,584,023
MISCELLANEOUS EXPENDITURE			1,558,638
TOTAL ASSETS (NET)			5,478,641,128
Notes on Accounts	23		

Schedules referred to above form part of the Balance Sheet.

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 Director
O. Swaminatha Reddy Director
D. P. Agarwal Vice Chairman & Managing Director
Vineet Agarwal Executive Director
A. K. Bansal Group CFO & Company Secretary

R.S. Agarwala
Partner
Camp- Gurgaon, 23rd May, 2008

Place: Gurgaon
Date : 23rd May, 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	31st March, 2008	
		Rupees	Rupees
INCOME			
Freight	14	11,881,989,788	
Sales & Services	15	546,256,429	
Other Income	16	42,152,428	
			<u>12,470,398,645</u>
EXPENDITURE			
Cost of Goods Sold	17	218,780,662	
Operating Expenses	18	9,778,915,662	
Personnel Expenses	19	606,741,889	
Administrative Expenses	20	711,269,662	
Repairs and Maintenance Expenses	21	254,572,395	
Interest (Net)	22	169,701,362	
Depreciation (Net)		233,183,918	
			<u>11,973,165,550</u>
Profit Before Tax		497,233,095	
Provision For Tax - Current		130,122,436	
- Deferred		18,579,647	
- Fringe Benefit		18,917,124	
Profit After Tax			<u>329,613,888</u>
Taxes for earlier years		(477,462)	
Balance brought forward from Previous Year		130,129,888	
Balance Available For Appropriation		459,266,314	
APPROPRIATIONS:			
Interim Dividend paid		21,755,178	
Proposed Dividend		21,751,692	
Tax on Dividend		7,393,400	
Tonnage Tax Reserve		15,000,000	
General Reserve		200,000,000	
Balance Carried to Balance Sheet		193,366,044	
			<u>459,266,314</u>
Earning per Share - Basic and Diluted (Note on Schedule 23)			4.54
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 R S Agarwala & Co.
Chartered Accountants

For and on behalf of the Board
S. M. Datta Director
O. Swaminatha Reddy Director
D. P. Agarwal Vice Chairman & Managing Director
Vineet Agarwal Executive Director
A. K. Bansal Group CFO & Company Secretary

R.S. Agarwala
Partner
Camp- Gurgaon, 23rd May, 2008

Place: Gurgaon
Date : 23rd May, 2008

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

				31st March, 2008 Rupees
(1) SHARE CAPITAL				
Authorised :				
100,000,000	Equity Shares of Rs.2 each			200,000,000
500,000	Preference Shares of Rs.100 each			<u>50,000,000</u>
				<u>250,000,000</u>
Issued, Subscribed and Paid up :				
Equity Shares of Rs.2 each fully paid up :				
21,059,305	Shares paid in cash (5,000,000 shares issued during the year on preferential basis)			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			<u>102,892,670</u>
				<u>145,011,280</u>
(2) RESERVES & SURPLUS				
	At 1st April 2007	Additions	Deductions	
Capital Reserves :				
Revaluation Reserve	552,683,423	-	37,976 (a)	145,611,995
			407,033,452 (d)	
Share Premium	121,616,708	516,250,000 (b)	8,869,418 (c)	628,997,290
Capital Redemption Reserve	19,400,000	-	-	19,400,000
Others	25,000	407,033,452 (d)	-	407,058,452
				<u>1,201,067,737</u>
Revenue Reserves :				
General Reserve	890,000,000	200,000,000 (e)	-	1,090,000,000
Reserve under section 33AC of the Income Tax Act, 1961	47,700,000	-	-	47,700,000
Tonnage Tax Reserve	59,000,000	15,000,000 (e)	-	74,000,000
Profit and Loss Account				<u>193,366,044</u>
				<u>1,405,066,044</u>
				<u>2,606,133,781</u>

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

(b) On issue of shares during the year

(c) Represents share issue expenditure

(d) Transferred from Revaluation Reserve to Other Capital Reserves as per legal advice.

(e) Transferred from Profit and Loss Account

(3) SECURED LOANS
Term Loans from Banks :

Against hypothecation of Motor Trucks/Motor Cars/Containers/ Ships purchased thereagainst and all movable assets and book debts of Wind Farm projects and equitable mortgage of specified properties

722,807,507

(Repayable within one year Rs.216,996,911)

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

		31st March 2008 Rupees
Foreign currency loans secured by first charge on three ships, book debts and equitable mortgage of specified properties (Repayable within one year Rs.131,682,550)		511,763,612
Term Loans from Others :		
Secured by equitable mortgage of specified immovable properties and hypothecation of Motor Trucks and Containers purchased thereagainst (Repayable within one year Rs.40,220,334)		119,183,294
Working Capital Loans from Banks :		
Against hypothecation of Book Debts, Inventories, Fixed Deposit Receipts and equitable mortgage of specified immovable properties		<u>1,072,393,643</u>
		<u>2,426,148,056</u>
In addition, loans to the extent of Rs. 18,727 lacs are also guaranteed by some of the Directors		
(4) UNSECURED LOANS		
Fixed Deposits (a) (Repayable within one year Rs.5,043,633)		8,564,633
Short Term Loans and Advances -		<u>4,067,710</u>
		<u>12,632,343</u>
(a) Includes Rs.86,000 from a director		
(5) DEFERRED TAX LIABILITY		
	At 1st April 2007	Current Year
Deferred Tax (Asset) Liability		
Difference between book and tax depreciation	271,449,021	19,098,566
		290,547,587
Disallowance under section 43B	(1,221,000)	(479,000)
Other Items	(92,000)	(39,919)
		<u>(1,700,000)</u>
		<u>(131,919)</u>
		<u>288,715,668</u>

CONSOLIDATED SCHEDULES TO THE ACCOUNTS
(6) FIXED ASSETS

Description of Assets	AT COST OR VALUATION			DEPRECIATION			NET BLOCK
	As at 01.04.2007	Additions during the year	Deductions during the year	Up to 31.03.2007	For the Year	Adjustment on Deductions	Total Balance
Land	608,546,848	24,587,003	-	-	-	-	-
Buildings (c)	377,909,356	37,396,287	-	54,927,522	6,745,867	-	61,673,389
Ships	648,631,170	139,064,913	-	154,644,000	15,350,330	-	169,994,330
Motor Trucks	1,005,905,092	241,252,189	25,940,549	511,556,209	140,268,961	23,852,490	627,972,680
Vehicles	76,806,849	22,705,485	11,337,456	23,071,895	6,900,951	5,595,620	24,377,226
Plant and Machinery	569,088,691	25,566,383	2,942,647	63,403,022	32,375,041	1,638,239	94,139,824
Computers	180,864,911	16,961,342	54,384,574	103,474,964	22,423,352	53,408,368	72,489,948
Containers	65,816,093	64,191,468	-	14,360,902	(1,597,985)	-	12,762,917
Furniture & Fittings	90,516,723	11,656,683	176,536	38,244,127	6,901,614	148,060	44,997,681
Office Equipments	48,623,527	4,808,526	15,751	18,697,149	3,683,501	11,355	22,369,295
Weighing Scales & Chain Pully	3,291,064	377,202	-	1,434,804	153,463	-	1,588,267
Capital Work-in-Progress	35,604,857	63,629,232	46,061,763	-	-	-	-
Assets on Lease							
Motor Trucks	373,658	-	-	338,182	16,799	-	354,981
TOTAL	3,711,978,839	652,196,713	140,859,276	984,152,776	233,221,894	84,654,132	1,132,720,538

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.

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

 31st March
2008
Rupees

(7) INVESTMENTS (At Cost)
Long Term Investments
Non-Trade :

Fully Paid Equity Shares of Joint Stock Companies:

Unquoted -

300,000 XPS Cargo Services Ltd of Rs. 10 each

3,000,000

3,000,000

Quoted -

3,500 Canara Bank of Rs. 10 each

122,500

(600 shares sold during the year)

2,500 Indian Petrochemical Corporation Ltd. of Rs 10 each

(500 shares sold during the year and 2000 shares converted in to shares of Reliance Industries Ltd.)

200 Biocon Ltd. of Rs. 5 each (sold during the year)

-

9,200 Gati Ltd. of Rs. 2 each (sold during the year)

-

10,936 Bhoruka Gases Ltd. of Rs. 2 each

289,132

2,400 Infosys Technologies Ltd. of Rs. 5 each

3,704,039

2,400 Reliance Industries Ltd. of Rs. 10 each

4,128,559

(1000 shares acquired and 400 shares received on

conversion of shares of Indian Petrochemical Corporation Ltd.)

25,000 Reliance Petroleum Ltd. of Rs. 10 each

1,985,648

2,284 Subros Ltd. of Rs. 10 each (sold during the year)

-

982 Edelweiss Capital Ltd of Rs. 10 each (acquired during the year)

1,243,342

Mutual Fund Units:

3,105 UTI Balanced Fund

67,655

43,221 6.75% Tax Free US 64 Bonds of UTI of Rs 100 each

4,322,100

149,753 JM Basic Fund (acquired during the year)

5,000,000

148,368 SBI Magnum Equity Fund (acquired during the year)

5,000,000

280,426 ICICI Prudential Infrastructure Fund (acquired during the year)

5,000,000

98,985 Reliance Diversified Power Sector Fund (acquired during the year)

5,000,000

48,899 Principal Infrastructure & Services Industries Fund (sold during the year)

-

35,862,975

Share Application Money (pending allotment)

41,800,000

80,662,975

Market value of quoted investments

35,341,151

(8) INVENTORIES

(As taken, valued and certified by the Management)

At lower of cost and net realisable value

Diesel and Petrol

1,417,620

Motor Parts, Lubricants and Others

87,115

Stores & Spare Parts (at cost)

8,687,285

10,192,020

(9) SUNDRY DEBTORS (Unsecured)

Outstanding for more than six months -

Considered Good

75,712,165

Others - Considered Good

1,883,055,780

1,958,767,945

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees
(10) CASH AND BANK BALANCES	
Cash and Cheques in Hand	729,820
Cash and Cheques in Transit	4,784,136
With Scheduled Banks :	
In Current Accounts	44,905,390
In Deposit Accounts (a)	164,366,877
In Unpaid Dividend Accounts	4,263,213
With Other Banks :	
In Current Accounts	<u>25,938,422</u>
	<u>244,987,858</u>
a) Some of the fixed deposit receipts are deposited with Banks against borrowings and guarantees issued.	
(11) LOANS AND ADVANCES (Unsecured-considered good)	
Loans	30,000,000
Advances recoverable in cash or in kind or for value to be received	88,855,076
Advances and Deposits with Landlords	82,368,157
Deposits with Others	84,192,762
Advances for Capital Expenditure	83,691,154
Tax Deducted at Source	<u>264,372,518</u>
	<u>633,479,667</u>
Due from Officers of the Company	3,767,789
Maximum Due During the Year	4,508,689
Loans and Advances due from Associate Companies :	
	Amount outstanding
	Maximum balance during the year
	Rupees Rupees
XPS Cargo Services Ltd.	8,947,000 8,947,000
TCI India Ltd.	— 4,000,000
(12) LIABILITIES	
Sundry Creditors	253,883,769
Customers' Credit Balances	24,117,480
Overdrawn Bank Balances	5,639,107
Other Liabilities	30,373,465
Due to Directors	405,858
Interest Accrued on Loans	17,243,817
Sundry Deposits	27,390,606
Unpaid/Unclaimed Dividend	<u>4,263,211</u>
	<u>363,317,313</u>

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

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees
(13) PROVISIONS	
Taxation (Net of payments)	134,640,293
Gratuity	5,379,410
Leave Encashment	14,058,059
Proposed Dividend	21,751,692
Tax on Dividend	<u>3,696,700</u>
	<u>179,526,154</u>
(14) FREIGHT	
Freight, Miscellaneous Charges etc. (a) (Tax Deducted Rs.153,725,041)	11,283,979,097
Shipping Freight and Charter Hire (Tax Deducted Rs.8,790,714)	<u>598,010,691</u>
	<u>11,881,989,788</u>
(a) Includes Demurrage Rs. 26,766,006)	
(15) SALES & SERVICES	
Sales	314,900,642
(Including sale of carbon credits Rs. 10,255,631)	
Logistics and Other Services(Tax Deducted Rs.9,927,117)	229,389,163
Bus Operations	501,670
Commission	<u>1,464,954</u>
	<u>546,256,429</u>
(16) OTHER INCOME	
Rent (Tax deducted Rs.6,206,572) (a)	25,274,768
Dividends on Investments :	
Long Term	4,978,063
Miscellaneous Income	7,952,574
Profit on sale of Investments (Net)	550,076
Unspent Liabilities/Excess Provisions written back (b)	1,373,454
Bad Debts and Irrecoverable Balances written off in earlier years, realised	<u>2,023,493</u>
	<u>42,152,428</u>
(a) Includes for earlier years Rs. 197,109	
(b) Represents excess directors' commission provided in the preceding year	
(17) COST OF GOODS SOLD	
Purchases	218,954,944
Add: Decrease/(Increase) in Closing Stock	<u>(174,282)</u>
	<u>218,780,662</u>
(18) OPERATING EXPENSES	
Freight	8,075,658,103
Vehicles' Trip Expenses	976,618,305
Tyres & Tubes etc.	56,627,407

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees
Other Expenses	268,116,166
Claims for loss & damages (Net)	16,558,222
Commission	9,040,558
Vehicles' Taxes	39,580,105
Vehicles' and Ship Insurance	21,456,050
Power, Fuel and Water Charges	93,076,144
Stores & Spare Parts Consumed	28,315,916
Port and Survey Expenses	26,865,102
Stevedoring and Cargo Expenses	92,517,811
Wages, Bonus and Other Expenses - Floating Staff	74,252,257
Contribution to Provident & Other Funds -Floating Staff	233,516
	<u>9,778,915,662</u>
(19) PERSONNEL EXPENSES	
Salaries, Wages & Bonus	488,471,030
Gratuity	6,300,000
Contribution to Provident & Other Funds	36,631,523
Contribution to Employees' State Insurance	6,739,330
Staff Welfare & Development Expenses	68,600,006
	<u>606,741,889</u>
(20) ADMINISTRATIVE EXPENSES	
Rent	146,770,848
Rates and Taxes	6,466,716
Insurance	5,644,359
Telephone Expenses	75,566,404
Printing and Stationery	47,652,824
Travelling Expenses	105,937,542
Legal Expenses	7,196,035
Postage and Telegram	6,605,847
Electricity Expenses	27,606,043
Bank Charges	11,538,146
Advertisement Expenses	9,835,174
Miscellaneous Expenses(a)	209,087,213
Remuneration to Directors	
Salaries	16,200,000
Commission	12,750,000
Fees	256,000
Remuneration to Auditors	
Audit fees	682,790
Tax audit fees	223,743
Other services	17,150
Sales Tax (Net)	22,757
Lease Rent Payments	2,146,759
Bad Debts and Irrecoverable Balances Written Off (Net)	7,934,634

CONSOLIDATED SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rupees
Agricultural Expenses (Net)	152,264
Charity & Donations	4,399,643
Loss on sale/discard of Fixed Assets (Net)	1,858,393
Exchange Rate Difference (Net) (b)	4,718,378
	<u>711,269,662</u>
(a) Includes Rs. 720,000 to a director for services of a professional nature	
(b) Includes exchange gain of Rs. 2,606,941 on account of repayment of foreign currency loan taken for acquisition of ships	
(21) REPAIRS & MAINTENANCE EXPENSES	
Motor Trucks	114,701,493
Other Vehicles	24,547,627
Ships	15,398,181
Dry Docking Expenses	62,846,887
Plant & Machinery	5,988,632
Computers	15,857,507
Buildings (a)	15,232,068
	<u>254,572,395</u>
(a) Includes for earlier years Rs. 103,931	
(22) INTEREST	
Fixed Loans	114,985,302
Fixed Deposits	2,089,356
Others	68,228,527
	<u>185,303,185</u>
Less: Interest Recieved (Tax deducted Rs.2,751,157)	(15,601,823)
	<u>169,701,362</u>

(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.

Name of the Company	Country of Incorporation	% Shareholding	Consolidated as
Ann-Sofie Scan ApS	Denmark	50%	Joint Venture
Transystem Logistics International Pvt. Ltd.	India	49%	Joint venture
PT. TCI Global	Indonesia	100%	Subsidiary

- a. The financial statements of Ann-Sofie Scan ApS are for the period 8th November 2006 to 31st December 2007, which is the first financial year of the company.
- b. The financial statements of PT. TCI Global are for the period 1st October 2007 to 31st March 2008, which is the first financial year of the company.
- c. The consolidated financial statements have been prepared on the following principles :
 - a. In respects of Subsidiary Company, 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"
 - b. In case of Joint Venture Companies, the financial statements have been consolidated considering the interest in the joint venture using proportionate consolidation method as per Accounting Standard - AS - 27 "Financial Reporting of Interests in Joint Ventures"
 - c. 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".
 - d. 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.

2. This being the first Consolidated accounts of Transport Corporation of India Limited, there are no corresponding figures for the previous year and Consolidated Cash Flow Statement.

	31st March, 2008 Rupees
3. Total Remuneration to Directors:	
Salaries	18,096,000
Commission	12,750,000
Money Value of perquisites	9,642,869
Contribution to Provident / Superannuation Funds	1,800,000
Directors' Fees	256,000

CONSOLIDATED NOTES ON ACCOUNTS

	31st March 2008 Rupees
4. Computation of net profit in accordance with Section 309 (5) of the Companies Act, 1956	
Profit before tax	497,233,095
Add:	
Depreciation as per accounts	233,183,918
Directors' Remuneration	42,544,869
	<u>275,728,787</u>
	772,961,882
Less:	
Depreciation under section 350	260,804,895
Excess provision written back	1,553,987
Capital profit on sale of Investments	550,076
	<u>262,908,958</u>
Net Profit computed in accordance with section 309 (5)	510,052,924
Commission payable to:	
Managing Director – 2%	10,201,058
Executive Director — 1%	5,100,529
Non Executive Directors – 0.5%	2,550,265
Restricted to:	
Managing Director	7,500,000
Executive Director	4,000,000
Non Executive Directors	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.

5. Accounting Standard (AS 11) "The Effects of changes in Foreign Exchange Rates" requires translation of foreign currency monetary items at the year-end exchange rate. In terms thereof on translation of Foreign Currency borrowings at the year-end exchange rate, there would be notional exchange gain of Rs. 43.56 Millions. Having regard to the fact that borrowings are mainly for the purpose of capital expenditure and also in view of the uncertainties involved in the fluctuating exchange rates, the Board of Directors do not consider it prudent to account for the said notional gain. Accordingly, the same has not been given effect to in these accounts, which is at variance to the treatment prescribed by AS 11.
6. Pursuant to the announcement on "Accounting for Derivatives" issued by the Institute of Chartered Accountants of India, 'Mark-to-Market' losses on the derivative instruments outstanding at March 31,2008 aggregate to Rs. 25.41 Millions. The derivative transaction relate to an underlying contract. In view of the uncertainties involved in the fluctuating exchange rate and as the actual gain/ loss would be determined only on settlement of the relevant contract, the said notional loss has not been considered in these accounts.
7. Hitherto, depreciation on fixed assets in TCI Seaways Division was provided on written down value method and in other divisions on straight-line method at rates specified in schedule XIV to the Companies Act, 1956. In order to follow uniform depreciation policy across all the divisions, depreciation during the year has been provided in TCI Seaways Division on straight-line method as well and depreciation charged in earlier years has been recomputed. Due to this change, the depreciation charge of the year is lower by Rs. 44.67 Millions and excess depreciation of Rs. 27.62 Millions charged on earlier basis in the past years has been adjusted during the year.

CONSOLIDATED NOTES ON ACCOUNTS

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

Depreciation for the year	260,842,871
Deduct :	
Excess depreciation charged in earlier years in the TCI Seaways Division (note 7)	27,620,977
Transfer from Capital Reserve on account of depreciation provided on revalued amount	37,976
Net depreciation charged in Profit & Loss Account	233,183,918

9. Related party disclosures

a. List of related parties:

i. Key Management Personnel :

- | | |
|-----------------------|----------------------|
| • Mr. D.P. Agarwal | • Mr. Vineet Agarwal |
| • Mr. Chander Agarwal | |

ii. Relatives of Key management Personnel:

- | | |
|---|---|
| • Mrs. Urmila Agarwal
(wife of Mr.D.P.Agarwal) | • Mr. Ashok Agarwal
(Brother of Mr.D.P.Agarwal) |
| • Mrs. Priyanka Agarwal
(wife of Mr. Vineet Agarwal) | • Mrs. Chandrima Agarwal
(wife of Mr. Chander Agarwal) |

iii. Associates:

- | | |
|--|---------------------------------|
| • TCI Logistics Ltd | • TCI Exim Pvt. Ltd. |
| • Bhoruka Finance Corporation of India Ltd | • XPS Cargo Services Ltd |
| • TCI Industries Ltd | • Etrallog.com Solutions Ltd. |
| • Bhoruka International Pvt. Ltd | • TCI India Ltd |
| • TCI Airways Pvt. Ltd | • TCI Distribution Centres Ltd. |

b. Transactions with related parties:

Nature of Transaction	Nature of Relation	Amount (Rupees)
Transactions during the year:		
Income:		
Freight Income	Associates	12,345
Expenditure :		
Freight Expenses	Associates	22,435,835
Fuel Purchases	Associates	66,231,861
Rent Paid	Associates	8,558,000
	Relatives of Key Management Personnel	600,000
Interest Paid	Associates	183,986
Salary & Perquisites	Relatives of Key Management Personnel	1,781,548
Remuneration and Commission	Key Management Personnel	38,043,554

CONSOLIDATED NOTES ON ACCOUNTS

Finance & Investment:

Share Application Money Given	Associates	41,800,000
Loans Taken	Associates	21,500,000
Refund of Loans Taken	Associates	17,500,000
Advances/ Deposits Given	Associates	8,020,000
Refund of Advances/ Deposits Given	Associates	4,000,000
Refund of Advances/ Deposits Given	Key Management Personnel	114,977
Sale of Fixed Assets	Associates	27,547
Purchase of Fixed Assets	Associates	10,700,000

Balances as at the year end:

Assets:		31st March 2008
Investments Made	Associates	3,000,000
Advances/ Deposits Given	Associates	8,947,000
	Relatives of Key Management Personnel	240,000

Liabilities:

Loans Taken	Associates	4,067,710
Trade Payables	Associates	1,757,401
Interest Payable	Associates	74,585

10. Segment Information

		Rupees in millions
Revenue	Divisions	2007-08
Segment Revenue	Transport Division	6570.51
	XPS Division	3224.42
	Supply Chain Solutions Division	1824.74
	TCI Seaways Division	627.06
	Wind Power Division	92.39
	Trading Division	222.51
	Real Estate Division	1.00
		12562.63
	Less: Inter Segment Revenue	(98.50)
Net Income from Operations		12464.13
Segment Results	Transport Division	212.19
	XPS Division	204.85
	Supply Chain Solutions Division	105.85
	TCI Seaways Division	100.55
	Wind Power Division	63.11
	Trading Division	2.93
	Real Estate Division	(0.75)

CONSOLIDATED NOTES ON ACCOUNTS

Rupees. in Millions

Un-allocated Corporate Income net of Unallocated Corporate Expenses		(21.80)
Interest Expenses (Net of income)		(169.70)
Profit Before Tax		<u>497.23</u>
Other Information		
Segment Assets	Transport Division	1400.94
	XPS Division	852.38
	Supply Chain Solutions Division	882.29
	TCI Seaways Division	921.43
	Wind Power Division	487.72
	Trading Division	2.00
	Real Estate Division	418.09
	Unallocated Corporate Assets	<u>911.02</u>
Total Assets		<u>5875.87</u>
Segment Liabilities	Transport Division	143.19
	XPS Division	60.85
	Supply Chain Solutions Division	122.68
	TCI Seaways Division	33.99
	Wind Power Division	3.31
	Trading Division	0.67
	Real Estate Division	0.00
	Unallocated Corporate Liabilities	<u>178.15</u>
Total Liabilities		<u>542.84</u>
Capital Expenditure	Transport Division	113.72
	XPS Division	58.17
	Supply Chain Solutions Division	179.00
	TCI Seaways Division	204.14
	Wind Power Division	0.00
	Trading Division	0.01
	Real Estate Division	11.43
	Unallocated Capital Expenditure	<u>39.66</u>
Total Capital Expenditure		<u>606.13</u>
Depreciation	Transport Division	37.02
	XPS Division	42.68
	Supply Chain Solutions Division	110.29
	TCI Seaways Division	13.85
	Wind Power Division	27.47
	Trading Division	0.00
	Real Estate Division	1.75
	Unallocated Depreciation	<u>0.12</u>
Total Depreciation		<u>233.18</u>

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

CONSOLIDATED NOTES ON ACCOUNTS

11. Earning per share		
Particulars		31st March 2008
No. of Equity Shares		72,505,640
Net Profit after tax	(Rupees)	329,136,426
Basic/Diluted Earning per Share of Rs.2/- each	(Rupees)	4.54
12. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.81.31 million.		
13. In respect of assets taken under non-cancelable operating lease, the future minimum lease payments as on 31st March 2008 are:		(Amount in Rupees)
i) Not later than one year		1,993,505
ii) Later than one year and not later than five years		3,035,905
iii) Later than five years		<u>489,130</u>
Total		<u>5,518,540</u>
14. In respect of assets given under non-cancelable operating lease, the future minimum lease payments, as on 31st March 2008 is Nil.		
15. Contingent liability not provided for in respect of:		31st March 2008
a) Trade Tax/ Octroi/ Duty/ ESI and other demands under dispute		17.98
b) Guarantees and Counter Guarantees Outstanding		119.29
c) Income Tax demands under dispute		110.74
16. In accordance with Accounting Standard (AS 15) " Employee Benefits", adequate provisions have been made in the accounts and there is no further liability is expected on this account.		

ACCOUNTING POLICIES:
1. Recognition of Income and Expenditure:

- 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.
- 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.
- Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
- 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.
- 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:

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

CONSOLIDATED NOTES ON ACCOUNTS

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 of 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 :

Petroleum products are valued at lower of cost and net realisable value. Stores & Spare parts are valued at cost.

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 and resultant gain or loss is accounted during the year.
- (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) Transystem 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 and is different from the rates prescribed under schedule XIV of the Companies Act, 1956

CONSOLIDATED NOTES ON ACCOUNTS

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

(*) Depreciation on buildings on leasehold land has been provided over the period of lease or useful life of the assets whichever is less

ii) Expenses incurred for feasibility study & detail project report for railway siding from Bidadi railway Station to Toyota Plant at Bidadi, Bangalore have been considered as Pre- operative expenses pending completion of the project. Preliminary expenses are amortized over a period of five years.

B) Ann-Sofie Scan ApS:

(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.

In terms of our Report of even date

For R S Agarwala & Co.
Chartered Accountants

R.S. Agarwala
Partner

Camp- Gurgaon, 23rd May, 2008

For and on behalf of the Board

S. M. Datta
O. Swaminatha Reddy
D. P. Agarwal
Vineet Agarwal
A. K. Bansal

Director
Director
Vice Chairman & Managing Director
Executive Director
Group CFO & Company Secretary

Place: Gurgaon

Date : 23rd May, 2008

NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th Annual General Meeting of the Company will be held on Tuesday, the 29th July 2008 at 12.00 noon at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 to transact the following business:

1. To consider and adopt the Audited Profit & Loss A/c for the financial year ended 31st March 2008, the Balance Sheet as at that date and the Reports of the Directors & Auditors thereon.
2. To declare a dividend on Equity shares.
3. To appoint a Director in place of Mr. S. N. Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. M. Datta, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and appoint Statutory Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration. M/s R. S. Agarwala & Co., Chartered Accountants, Kolkata the retiring auditors, being eligible offers themselves for re appointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. K.B. Chitracar & Co., Chartered Accountants, Kathmandu, be and are hereby appointed as Branch Auditors for auditing the accounts of all the branches of the Company situated in Royal Kingdom of Nepal for the year 2008-09 and to hold office till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Natarajan & Swaminathan, Chartered Accountants, Singapore, be and are hereby, appointed as Branch Auditors for auditing the accounts of all the branches of the Company situated in Singapore for the year 2008-09 and to hold office till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."
8. To consider and, if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. R.S. Agarwala & Co., Chartered Accountants, Bangalore, be and are hereby appointed as Branch Auditors for auditing the accounts of TCI Seaways Division of the Company for the year 2008-09 and to hold office till conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."
9. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. R. V. Raghavan, who was appointed by the Board of Director as additional director of the Company with effect from 30th October 2007 and who holds office of director up to the date of this Annual General Meeting of the Company, in terms of the Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."
10. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of Shareholders and Central Government, if required, Mr. D. P. Agarwal be and is hereby re-appointed as Managing Director and designated as Vice Chairman & Managing Director of the Company for a further period of five years effective from 1st August, 2008 on the terms as set out in the explanatory statement .

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters & things as may be necessary or expedient to give effect to this resolution."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of Shareholders and Central Government, if required, Mr. Vineet Agarwal be and is hereby re-appointed as Executive Director for a further period of five years effective from 1st July, 2008 on the terms as set out in the explanatory statement.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters & things as may be necessary or expedient to give effect to this resolution."

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT in continuation of the shareholders' resolution passed in the AGM held on 23rd October 2006 and pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the Shareholders' approval and such Government's approval (s) as may be required, the Company hereby approves the revision in the remuneration payable to Mr. Chander Agarwal effective from 1st October 2008 till the remaining term i.e. till 20th September 2011, as provided in the explanatory statement annexed hereto."

**BY Order of the Board
For Transport Corporation of India Ltd**

**A.K. Bansal
Group CFO & Company Secretary**

Place : Gurgaon
Date : 23rd May 2008

NOTES:

1. a) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 6 to 12 as set out above is annexed hereto.
 b) A MEMBER ENTITLED TO ATTEND AND VOTE IS AUTHORIZED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be valid and effective, must be delivered at the registered office of the Company not later than forty-eight hours before the commencement of the meeting.
2. The Share Transfer Books and the Register of Members will remain closed from 28th to 29th July, 2008 (both days inclusive). Dividend on equity shares for the year ended 31st March, 2008, will be paid to those Members whose names appear on the Company's Register of Members at the close of working hours of the Company on 29th July, 2008 to the extent eligible. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
3. The name of the Company has been changed from TCI Industries Ltd. to Transport Corporation of India Ltd. vide fresh Certificate of Incorporation dated 29/01/1999, issued by the Registrar of Companies, Andhra Pradesh, Hyderabad.
4. The Non-Resident Indian Shareholders are requested to inform the Company immediately about:
 - a) The change in the residential status on return to India for permanent settlement.
 - b) The particulars of NRO bank account in India, if not furnished earlier.
5. Members are requested to intimate under the signature of the sole/first Joint Holder about the Bank Account Number, Type of Account, Saving (SB) or Current (CA), name and address of the bank, in which they intend to

deposit the Dividend Warrants, so that the same can be printed on Dividend Warrants in future, to avoid the incidence of fraudulent encashment of the instrument.

6. ECS facility is presently available at certain specified locations by RBI. To avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment, shareholders are requested to avail of ECS facility where dividends are directly credited in electronic form to their respective bank accounts. This also ensures faster credit of dividend.
7. The members are requested to address all their communications to M/s Abhipra Capital Ltd., Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur New Delhi-110033, the common agency to handle electronic connectivity and the shares in physical mode or at the Corporate Office of the Company for prompt redressal.
8. The members who have still not exchanged their old share certificates, are requested to surrender the same (issued by the then Transport Corporation of India Ltd. - Now known as TCI Industries Ltd., the transferor Company under the Scheme of Arrangement) along with set of four signature cards to M/s. TCI Industries Ltd., Mukesh Mills Compound, N.A. Sawant Marg, Colaba, Mumbai-400005, as several times requested by the said Company and subsequent reminders from our Company as well to obtain their new share certificates of four Companies including this Company.
9. The shares of the Company are at present listed with Bombay Stock Exchange, National Stock Exchange and Hyderabad Stock Exchange, however the SEBI has de-recognized the Hyderabad Stock exchange. The listing fees in respect of the year 2008-09 have since been paid to NSE and BSE.
10. UNCLAIMED DIVIDEND: The unclaimed dividend for the year ended 31st March 2001 will be transferred to the "Investor Education and Protection Fund" on expiry of 7 years from the date the dividend became due for payment, pursuant to Section 205A read with 205C of the Companies Act, 1956. It may be noted that after the expiry of the said period of 7 years on 6th September 2008, no claim shall lie in respect of unclaimed dividend. Members who have not encashed their Dividend Warrants for the said financial year and any of subsequent years are requested to send the same for revalidation to the company's corporate office at Gurgaon (Haryana).
11. Nomination: Pursuant to Section 109A of the Companies Act, 1956 individual shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole / all joint shareholders.

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

M/s. K.B. Chitracar & Co., Chartered Accountants, Kathmandu, are the Branch Auditors for auditing the accounts of all the branches of the Company situated in Royal Kingdom of Nepal. Their existing term as branch auditor is expiring on the conclusion of this AGM. They have expressed their willingness to carry on the work as Branch Auditors for the year 2008-09.

The Board recommends the appointment of M/s. K.B. Chitracar & Co., Chartered Accountants as Branch Auditors for the year 2008-09 and requests the shareholders to pass the resolution as Special Resolution.

None of the directors is interested or concerned in the resolution.

Item No. 7

M/s. Natarajan & Swaminathan, Chartered Accountants, Singapore are the Branch Auditors for Singapore branch and are retiring on the conclusion of this meeting and they have expressed their willingness to be re-appointed as Branch Auditors of Company's Singapore branch for the financial year 2008-09.

Your directors recommend the re-appointment of M/s. Natarajan & Swaminathan for the financial year 2008-09 by passing this resolution.

None of the directors is interested / concerned in passing of this resolution.

Item No. 8

The erstwhile TCI Seaways Limited was merged with the Company effective from 1st October, 2005 and became a division of the Company. Therefore, it is proposed to appoint M/s R.S. Agarwala & Co., Chartered Accountant, Bangalore, as the Branch Auditors for the Seaways Division. M/s R.S. Agarwala & Co. shall, if appointed, hold office till the conclusion of the next Annual General Meeting of the Company.

Your directors recommend the appointment of M/s. R.S. Agarwala & Co. for the financial year 2008-09 by passing this resolution.

None of the directors is interested / concerned in passing of this resolution.

Item No. 9

Mr. R. V. Raghavan was appointed as additional Director by the Board of Directors in its meeting held on 30th October 2007 to fill the vacancy due to resignation of Mr. Ravi Uppal.

As per the provisions of the Section 260 of the Companies Act, 1956 Mr. Raghavan shall hold office up to this Annual General Meeting. Mr. Raghavan is eligible for re-appointment as Director of the Company.

A notice under Section 257 of the Companies Act, 1956 along with requisite deposit has been received from a shareholder signifying his intention to propose the name of Mr. Raghavan for appointment as Director of the Company.

A brief profile of Mr. Raghavan and his directorships in other companies is given under the Corporate Governance Report.

Your directors feel that the appointment of Mr. Raghavan would immensely benefit the company, hence, recommend passing of this resolution.

No director other than Mr. R. V. Raghavan, is in any way concerned or interested in the passing of the above resolution.

Item Nos. 10 & 11

Item Nos. 10 and 11 relate to the re appointment of Mr. D. P. Agarwal and Mr. Vineet Agarwal as Vice Chairman & Managing Director and Executive Director of the Company respectively.

The members may recall that Mr. D. P. Agarwal was re-appointed as Vice Chairman & Managing Director of the Company for a period of 5 years effective from 1st August 2003 by the Board of Directors at their meeting held on 12th June 2003 and the matter was approved by the shareholders in their AGM dated 29th August 2003. Mr. Vineet Agarwal was also re-appointed as Executive Director by the Board and confirmed by the Shareholders in the above said meetings for a period of Five years effective from 1st July 2003. The existing tenure of Mr. D.P. Agarwal and Mr. Vineet Agarwal is expiring on 31st July 2008 and 30th June 2008 respectively.

Mr. D. P. Agarwal possesses very vast, varied & rich experience of the transport industry for over 40 years. Under his able guidance, the Company has become leader in the transport sector as well as total logistics solution business and the Company has crossed many milestones while looking forward to be a major global player in the transport and logistics solution industry.

Mr. Vineet Agarwal, a graduate in Economics & Industrial Management from USA is associated with the Company for the last 12 years. Mr. Vineet Agarwal has undergone meticulous training encompassing key functions in the company enabling him to further sharpen his skills facilitating the Company to make inroads in niche value added segments. His untiring endeavor has helped Company to adapt and smoothly implement latest IT practices across its Pan India branch network thereby connecting them online/real time basis.

Presently Mr. D. P. Agarwal and Mr. Vineet Agarwal are entitled for following remuneration:

Particulars	Mr. D. P. Agarwal	Mr. Vineet Agarwal
a) Monthly Salary with liberty to the board or any committee thereof in its absolute discretion to fix remuneration within the range specified.	@ Rs 6,00,000 in the range of Rs. 6,00,000 to Rs. 8,00,000	@ Rs 4,50,000 in the range of Rs. 4,50,000 Rs. 6,00,000
b) Commission@ 2% of the net profit	@ 1 % of the net profit	
c) Other usual benefits / perquisites subject to overall ceiling laid down u/s 198 and 309 of the Companies Act 1956	Yes	Yes

Considering the expertise, knowledge of the industry & business and services being provided by Mr. D. P. Agarwal and Vineet Agarwal it is proposed to re-appoint Mr. D. P. Agarwal and Mr. Vineet Agarwal as Vice Chairman & Managing Director and Executive Director of the Company respectively for a further term of Five years on the following terms and conditions:

Particulars	Mr. D. P. Agarwal	Mr. Vineet Agarwal
a) Monthly Salary- with liberty to the board or any committee thereof in its absolute discretion to fix remuneration within the range specified.	@ Rs 8,00,000 in the range of Rs. 8,00,000 to Rs. 15,00,000	@ Rs 6,00,000 in the range of Rs. 6,00,000 to Rs. 12,00,000
b) Commission	@ 2 % of the net profit	@ 1 % of the net profit

Besides above, Mr. D. P. Agarwal and Mr. Vineet Agarwal shall also be eligible for the following perquisites, allowances and benefits including:

c) Perquisites and allowances:

- i. Housing: Furnished/unfurnished residential accommodation or house rent allowance at 50% of salary in lieu thereof. Expenses incurred on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
- ii. Medical reimbursement/allowance: Reimbursement of actual expenses for self and family and/or allowances will be paid as per the rules of the Company.
- iii. Leave travel concession/allowance: For self and family once in a year, in accordance with the rules of the Company.
- iv. Club fees: Fees payable subject to a maximum of two clubs.
- v. Personal accident insurance: As per the rules of the Company.
- vi. Provision of driver /Allowance for driver's salary: As per the rules of the Company.
- vii. Company car and telephone: Expenses in relation to use Company car and telephone for official purposes.
- viii. Any other expenses incurred/reimbursed not specifically included herein above.

d) Other benefits;

- i. Earned/privilege leave: As per the rules of the Company.
- ii. Company's contribution to provident fund and superannuation fund: As per the rules of the Company.
- iii. Gratuity; As per the rules of the Company.
- iv. Encashment of leave: As per the rules of the Company.

The aggregate of the salary, commission, perquisites & allowances, and other benefits taken together in respect of payment to Mr. D P Agarwal and Mr. Vineet Agarwal shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956 or as approved by Central Government, if approval of Central Government is required and obtained.

e) Minimum remuneration

Where in any financial year, during the currency of tenure of Mr. D P Agarwal and Mr. Vineet Agarwal the Company incurs a loss or its profits are inadequate, the Company may pay them remuneration by way of salary, commission, perquisites & allowances etc. not exceeding the limits as specified under section II in part II of Schedule XIII to the Companies Act, 1956, or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

- f) Termination: The Agreement may be terminated by either party by giving six months notice, in writing, of such termination. If, at any time, either of them ceases to be director of the Company for any cause whatsoever, the agreement shall forthwith be terminated.
- g) Duties: Mr. D P Agarwal and Mr. Vineet Agarwal shall perform such duties as may from time to time be entrusted to them, subject to the superintendence and control of the Board of Directors.

Except Mr. S. N. Agarwal and Mr. Chander Agarwal being related to Mr. D. P. Agarwal & Mr. Vineet Agarwal; and Mr. D. P. Agarwal & Mr. Vineet Agarwal themselves no other director is interested/ concerned in these resolutions.

The Board of Directors of your Company recommends this resolution for your approval.

This may also be treated as an abstract of the terms and conditions/ variations of the appointment / remuneration of Mr. D. P. Agarwal & Mr. Vineet Agarwal pursuant to Section 302 of the Companies Act, 1956. The relevant documents regarding this matter are available for inspection up to the date of the Annual General Meeting at the Regd. Office of the Company on any working day between 11 a.m. to 1 p.m.

Item No. 12

The members may recall that the Board of Directors at its meeting held on 21st September 2006 had appointed Mr. Chander Agarwal as Whole Time Director designated as Executive Director of the Company for a period of five years with effect from 21st September 2006.

The Shareholders in their AGM dated 23rd October 2006 also approved the appointment of Mr. Chander Agarwal at a remuneration in the range of Rs. 1,50,000 to Rs. 3,00,000 along with usual benefits and perquisites.

The Board in its meeting held on 22nd May 2007 had increased his Basic Salary from Rs. 1,50,000/- to Rs. 2,50,000/- effective from 1st October 2007.

Mr. Chander Agarwal is actively endeavoring to create & develop global face of TCI. So far he has been instrumental in opening of offices in Singapore, Indonesia and Hong Kong.

Keeping in view of the industry norms and the quantum and quality of services being put in by Mr. Chander Agarwal, the Board of Directors in its meeting held on 23rd May 2008 has subject to the shareholders/governments approval and applicable provisions of Companies Act, 1956 revised the remuneration payable to him. The term and conditions of the proposed revision are as follows:

PARTICULARS	
a) Monthly Salary – with liberty to the Board or any Committee thereof in its absolute discretion to fix range of with the range as stated.	@ of Rs. 4,00,000 in the range of Rs. 4,00,000 to Rs. 10,00,000
b) Commission	@ 1% of Net Profit

Besides above, Mr. Chander Agarwal shall also be eligible for following perquisites, allowances and benefits including:

c) Perquisites and allowances:

- i. Housing: Furnished/unfurnished residential accommodation or house rent allowance at 50% of salary in lieu thereof. Expenses incurred on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
- ii. Medical reimbursement/allowance: Reimbursement of actual expenses for self and family and/or allowances will be paid as per the rules of the Company.
- iii. Leave travel concession/allowance: For self and family once in a year, in accordance with the rules of the Company.
- iv. Club fees: Fees payable subject to a maximum of two clubs.
- v. Personal accident insurance: As per the rules of the Company.
- vi. Provision of driver /Allowance for driver's salary: As per the rules of the Company.
- vii. Company car and telephone: Expenses in relation to use Company car and telephone for official purposes.
- viii. Any other expenses incurred/reimbursed not specifically included herein above.

d) Other Benefits:

- i. Earned/privilege leave: As per the rules of the Company.
- ii. Company's contribution to provident fund and superannuation fund: As per the rules of the Company.
- iii. Gratuity; As per the rules of the Company.
- iv. Encashment of leave: As per the rules of the Company.

The aggregate of the salary, commission, perquisites & allowances, and other benefits taken together in respect of payment to Mr. Chander Agarwal shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956 or as approved by Central Government, if approval of Central Government is required and obtained.

e) Minimum Remuneration:

Where in any financial year, during the currency of tenure of Mr. Chander Agarwal, the Company incurs a loss or its profits are inadequate, the Company may pay him remuneration by way of salary, commission, perquisites & allowances etc. not exceeding the limits as specified under section II in part II of Schedule XIII to the Companies Act, 1956, or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

f) Termination: The Agreement may be terminated by either party by giving six months notice, in writing, of such termination. If, at any time, Mr. Chander Agarwal ceases to be director of the Company for any cause whatsoever, the agreement shall forthwith be terminated.

g) Duties: Mr. Chander Agarwal shall perform such duties as may from time to time be entrusted to him, subject to the superintendence and control of the Board of Directors.

Except Mr. Chander Agarwal himself, Mr. D. P. Agarwal, Mr. S.N. Agarwal & Mr. Vineet Agarwal being related to Mr. Chander Agarwal, no other director is interested/ concerned in this resolution.

The Board of Directors of your Company recommends this resolution for your approval.

This may also be treated as an abstract of the terms and conditions/ variations of the appointment / remuneration of Mr. Chander Agarwal pursuant to Section 302 of the Companies Act, 1956. The relevant documents regarding this matter are available for inspection up to the date of the Annual General Meeting at the Regd. Office of the Company on any working day between 11 a.m. to 1 p.m.

**BY Order of the Board
For Transport Corporation of India Ltd**

**Place : Gurgaon (Haryana)
Date : 23rd May 2008**

**A.K. Bansal
Group CFO & Company Secretary**

Registered Office: Flat Nos.306 & 307, 1-8-271 to 273, 3rd Floor, Ashoka Bhoopal Chambers, S.P. Road, Secunderabad-500003.

PROXY FORM

DP.ID*		Master Folio No.	
Client ID*		No. of Shares (s) held.	

I/We of in the district of being a member/members of the above named Company hereby appoint of in the district of or failing him/ her of in the district of as my/our proxy to vote for me/us on my/our behalf at the 13th Annual General Meeting of the Company to be held on Tuesday, the 29th July, 2008 at 12.00 Noon at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 and at any adjournment thereof.

Signed this day of 2008.

Signature

* Applicable for shareholders holding shares in electronic form.

Note:

1. A Proxy need not be a Member.
2. This form in order to be effective should be duly stamped and signed and must be deposited at the registered office of the Company, not less then 48 hours before the meeting.

Affix
Rupee 1/-
Revenue
Stamp

Registered Office: Flat Nos.306 & 307, 1-8-271 to 273, 3rd Floor, Ashoka Bhoopal Chambers, S.P. Road, Secunderabad-500003.

ATTENDANCE SLIP

DP.ID*		Master Folio No.	
Client ID*		No. of Shares (s) held.	

I hereby record my presence at the 13th Annual General Meeting of the Company at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004, on Tuesday, the 29th July, 2008 at 12.00 Noon.

.....
Member's/Proxy's name in Block Letter

.....
Member's/Proxy's/Authorised Representative's Signature

* Applicable for shareholders holding shares in electronic form.

NOTE : Please fill in this attendance slip and hand it over at the ENTERANCE OF THE HALL.
NO GIFTS WILL BE DISTRIBUTED AT THE AGM.