

ANNUAL REPORT

2011-12



Transport Corporation of India Limited

EXPRESS TECHNOLOGY WAREHOUSE FREIGHT
DISTRIBUTION TRANSIT HAULAGE
SHIP OWNER WAREHOUSING FAST
RAIL LOGISTICS
LOGISTICS FULL TRUCK LOAD
RAIL SEND TECHNOLOGY TRANSFER
TRACKING AUTOMOBILE EXPRESS
CHAIN PHARMA MOVER DISTRIBUTE
MULTIMODAL TODAY TRAIN
SUPPLY CHAIN MANAGEMENT
FAST MOVING COLD CHAIN AUTOMOBILE
KEY ACCOUNT MANAGEMENT CARGO
TRANSFER CONSULTANCY
3PL CHAIN SHIP
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APPEAL TO SHAREHOLDERS

The Ministry of Corporate Affairs (MCA) vide its circular Nos.18/2011 dated 29.04.2011 and 17/2011 dated 21.04.2011 has notified "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies through electronic mode. Companies are now allowed to send various notices / documents/Annual Report to its shareholders via electronic mode at the registered E-mail ID of such shareholders. To support this green initiative of the Government in full measure, members are requested to register their E-mail ID with the Company at designated E-mail ID of the Company i.e. secretarial@tcil.com or with Depository through their concerned Depository Participants.



Where quality drives the way

Delivering quality is not an act; it's a habit at TCI. As India's leading logistics and supply chain solutions provider, TCI has been continuously setting new benchmarks of quality because it firmly believes that quality is the key to take a lead in business. With a revenue of INR 20 Billion (Approx. \$ 400 Million USD), expertise developed over five decades, customer-centric approach and world-class resources, TCI offers seamless multi-modal logistics solutions and moves 2.5% of India's GDP by value.

TCI is also a part of World Economic Forum's Community of Global Growth Companies (GGC). TCI's membership at GGC is a reflection of its consistent growth, its potential and its initiative to build global business and exemplary executive leadership.

The Vision to deliver high quality

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

The Values to make a qualitative difference

TCI abides by its **CORE** values: Customer Focus, Ownership, Responsiveness and Empathy - a value system that guides our business work ethics and beliefs for future growth and development.

TCL Group Overview

Lineage

- Started as a 'one man, one office, one truck' company in 1958
- Became a private limited company in 1965 and a public limited in 1974 with shares listed on National Stock Exchange and Bombay Stock Exchange

Market Position

- Today, TCL is India's leading integrated logistics and supply chain solutions provider
- Continuous and strategic diversification in value added and new areas of logistics
- Expansion into newer areas with TDL, a real estate arm of the Group TCL undertaking development of warehouses and logistics parks, among others

Pan India Network

- Strong distribution network provides access to large & growing aftermarket
- 1000+ company owned branches nationwide & 13,000 delivery locations within India.
- Transporting 2.5% by value and covering 99.45% by areas of India's GDP.

Best-in-Class Operations

- Fleet of 7,000 trucks/trailers
- 9.25 Mn sq. ft of warehousing space
- Skilled work force of more than 5,000 with 20,000 outsourced positions

Strong IT Forte

- In-house ERP: EDI Capable
- Web based Track and Trace through GPS

Joint Ventures

- Transystem International Pvt. Ltd. (TLI): A joint venture between TCL and Mitsui & Co. Ltd. which is the sole logistics partner for Toyota Kirloskar Motors Ltd. in India
- Infinite Logistics Solutions Private Ltd.(ILSPL): A Joint Venture Company with CONCOR for bulk multi-modal logistics solutions by rail and road

Ratings and Certifications

- ICRA: A1+ for short term debt / CP programme
- CRISIL: AA-/stable for long terms.
AA-/stable for cash credit limits
P1+ for bank guarantee.
- ISO 9001:2008
- IATA certified

Key Financial Ratios (Standalone)

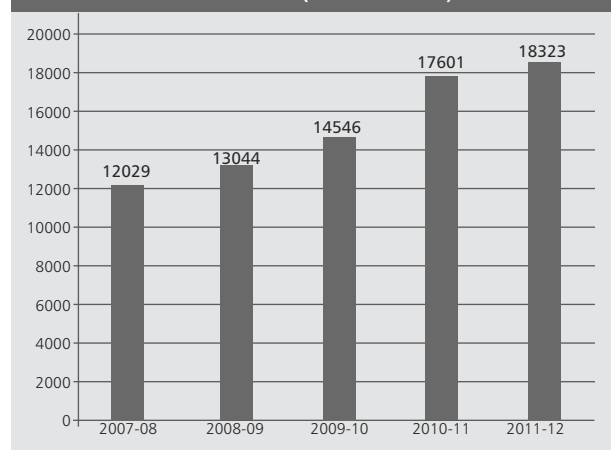
(Rs. In Mn)

| Particulars | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|---------------------------------------|---------|---------|---------|---------|---------|
| Total Income | 18323.0 | 17601.4 | 14546.1 | 13044.2 | 12029.0 |
| EBIDTA | 1488.7 | 1378.1 | 1139.5 | 990.0 | 807.9 |
| Finance Cost | 332.8 | 257.0 | 195.6 | 240.8 | 168.3 |
| Depreciation & Amortisation | 378.6 | 320.6 | 267.6 | 259.8 | 207.8 |
| Profit before Tax & Exceptional Items | 777.2 | 800.5 | 676.3 | 489.4 | 431.8 |
| Exceptional Item | 40.0 | 0.0 | 29.2 | 40.0 | 0.0 |
| Taxes | | | | | |
| Current | 212.0 | 224.4 | 203.4 | 147.2 | 109.9 |
| Deffered | 8.2 | 17.0 | 9.2 | 0.2 | 18.7 |
| FBT | 0.0 | 0.0 | 0.0 | 18.6 | 18.5 |
| Taxes for earlier years | -1.5 | 45.8 | -4.7 | 0.2 | 0.4 |
| Net profit | 518.4 | 513.2 | 429.8 | 283.2 | 284.3 |
| Cash profit | 905.2 | 850.9 | 706.6 | 543.2 | 510.8 |
| Dividend per share (In Rs.) | 1.0 | 0.9 | 0.8 | 0.6 | 0.6 |
| EPS (In Rs.) | 7.1 | 7.1 | 5.9 | 3.9 | 3.9 |

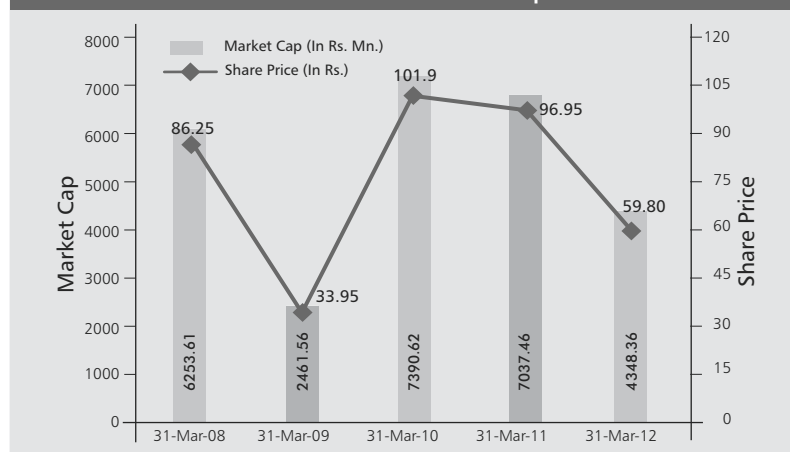
FINANCIALS

| | | | | | |
|-------------------------------|--------|--------|--------|--------|--------|
| Gross Block | 5706.7 | 4997.5 | 4417.8 | 4132.3 | 3901.3 |
| Net Block | 3800.4 | 3301.1 | 3092.9 | 2982.8 | 2875.9 |
| Net Worth | 3459.8 | 3008.5 | 3084.6 | 2714.0 | 2484.3 |
| Total Debts | 3220.3 | 3011.3 | 2716.3 | 2329.0 | 2290.3 |
| Avg Capital Employed | 6663.3 | 6211.1 | 5710.7 | 5189.5 | 4417.0 |
| Return on Net Worth | 14.98% | 17.06% | 13.93% | 10.43% | 11.44% |
| Return on capital employed | 16.66% | 17.03% | 14.76% | 14.07% | 13.58% |
| Debt Equity Ratio (times) | 0.9 | 1.0 | 0.9 | 0.9 | 0.9 |
| Interest cover (times) | 4.5 | 5.4 | 5.8 | 4.1 | 4.8 |
| Book value per share (in Rs.) | 47.6 | 41.4 | 42.5 | 37.4 | 34.3 |
| Share capital | 145.4 | 145.2 | 145.1 | 145.0 | 145.0 |

Revenue (Rs. in mn.)



Share Prices and Market Capitalization



VCMD's Message



Dear Shareholders,

As India's leading integrated logistics and supply chain solutions provider, we have been crossing major milestones on the road to success since the beginning. Over the years, with a professionally-managed team of experts, technologically advanced operations, qualitative and value-added services and a commitment to customer satisfaction, we have witnessed a quantum growth in our business. Today, we enjoy the status of being leaders in logistics.

Since we believe that quality plays an indelible role in building a company, we have made quality our never-ending mission. We strive to achieve quality in all our business processes, services, manpower and facilities. Quality has been the cornerstone of our success which has stood us in good stead for the last 5 decades.

The year gone by has been a difficult one for the entire industry. The overall micro as well as macro environment where we operate in was challenging. Though the country has the second largest network of roads (4.24 million km after US's 6.43 million km), the second largest rail network (63,000 km), 128 airports, 13 major ports and 187 non-major ports, this infrastructure is not sufficient to deliver optimum quality. The industry has attracted only limited private investments, that too more recently following privatization. As a result, the Indian logistics industry accounts for a mere 2 per cent (USD 100 billion) of the USD 5,000 billion global logistics industry. Further, owing to general inefficiencies, logistics is a high-cost activity in India (13% of GDP compared to 8-9% of GDP in the US).

Delays in the implementation of regulatory changes like financing the maintenance of transport infrastructure, managing urban congestion, supply chain disruption on account of poor rural connectivity, coupled with high interest rates are some of the many issues which have been affecting the whole industry adversely. The urgent needs of the hour are to strengthen the competitive and regulatory environment, grant an industry status to the segment, focus on infrastructure development and create a skilled workforce pool for the logistics business.

While looking at the brighter side, I am sure things will change with the government's 12th Five Year Plan of USD 1 trillion of investment in infrastructure development and a strong commitment towards providing conducive regulations, rationalization of tax structures and proposed introduction of GST. All these are promises of a favourable environment, in which the sector can flourish.

Despite all the challenges, we managed to achieve a modest improvement in our results over that of last year. All our business divisions operated and responded optimistically. We took many measures to sustain our past performance. We continued to provide unique and customised solutions to our clients. We did not compromise on quality deliverables and as a result we managed to add many new businesses to our kitty.

Each division has taken initiatives to improve operational efficiencies and provide our clients with quality deliverables. Introduction of All Purpose Vehicle Carrier (APVC), state-of-the-art warehousing facilities, an extensive domestic network of offices, global expansion, advanced IT capabilities, strategic JVs and expansions into newer markets are some of the many initiatives taken by us to further strengthen our position as leaders in the industry.

Information Technology represent the corporate backbone helping converge all group operations on a single platform, while enhancing business intelligence and customer relationship management. We are poised to invest Rs. 50 crore on Information Technology in the next five years. All these initiatives are results of our continuous endeavour to provide best-in-class customer centric services.

We firmly believe in thought leadership and continuously seek solutions from all stakeholders to better the state of the sector. In our endeavour to achieve thought leadership, TCI in association with IIM-Calcutta, released the second edition of the Joint Study Report on the 'Operational Efficiency of National Highways for Freight Transportation in India'.

On the CSR front, we have ensured that the work towards making a meaningful difference in people's life should never stop. Our vocational training centre in Jhamhar near Ranchi, has seen two batches of women completing their training in handloom weaving and we are pleased to learn that it has started contributing to their income. As a part of our intervention on disaster relief, we started construction of houses for the victims affected by the cloudbursts in Ladakh's Leh area. The new houses have been built and handed over to the victims.

TCI Jaipur Foot and Rehabilitation Center in Patna has now been equipped with a mobile workshop which can cater to about 100 patients at any point of time. It is a big relief for people residing in remote areas and who are unable to come to our main centre can still avail of the treatment.

Looking forward:

With all the ingredients of success; dedicated people, world-class infrastructure, innovative systems and right business strategies in place, we at TCI are poised to meet the demands of a growing industry and deliver consistent results for which we are known for.

At TCI, we aim to capitalize on growing national opportunities by venturing into new business segments and growing our existing segments. As the Supply Chain Solutions (TCI SCS), Express Division (TCI XPS) and Freight divisions continue to drive revenues, we will further strengthen their core competencies in the coming years. Forging ahead, we believe that high GDP growth, implementation of GST and infrastructure investments by the government will give a new boost to the logistics sector.

I am grateful to my fellow Directors on the Board and the members of the Management Committee for their support. I would also like to extend a special thanks to each and every shareholder of TCI, whose trust and confidence have been the motivating force in all our endeavours. I thank all our customers and business associates in India and abroad for their unstinted loyalty and steadfast patronage of our services. Finally, a word of thanks to more than 5000 employees of TCI who are making these successes happen. I am extremely proud of their high level of commitment to the company and their outstanding performance over this period and have full confidence in their ability to deliver even greater success going forward.

D P Agarwal
Vice Chairman & Managing Director

Board of Directors



Mr. S M Datta
Chairman

Mr. S M Datta has more than 52 years of experience in the engineering and technology sector. Previously, he has served as the Chairman of Hindustan Lever and all Unilever group companies in India and Nepal between 1990-1996. Mr. Datta holds the following positions namely: Director on the Boards of Castrol India, Philips Electronics India, IL&FS Investment Manager, Zodiac Clothing Company amongst others. A Chartered Engineer, Mr. Datta is also associated with various management & research institutes, both in India and abroad.



Mr. O Swaminatha Reddy
Non-Executive Independent Director

Mr. O. Swaminatha Reddy has over 59 years of experience as a financial and management consultant. He is currently the Chairman of the governing body of the Indian Institute of Economics, Hyderabad. Mr. Reddy is associated with the Boards of Sagar Cements, TCI Finance, Sagar Power, amongst others. He has also been a former member of the management committee of Federation of A. P. Chamber of Commerce & Industry.



Mr. S N Agarwal
Non-Executive Director

Mr. S N Agarwal has over 41 years of rich experience in various industries including logistics. Mr. Agarwal also serves as the Chairman of Bhoruka Gases Ltd and Bhoruka Power Corporation Ltd besides being on the Boards of Kirloskar Electric Co. Ltd and Iruppa Power Pvt Ltd. He is also a member of the governing body of IIM Bangalore. A magna cum laude graduate in management from Davenport College of Business, US, Mr. Agarwal also holds an Advance Management Program (AMP) certificate from Harvard Business School, USA.



Mr. K S Mehta
Non-Executive Independent Director

Mr. K S Mehta is a renowned Chartered Accountant in practice. He has approximately 41 years of experience in corporate finance & restructuring, project financing, business valuations and tax planning. Mr. Mehta is the board member of Kothari Industrial Mgmt Company, Blue Coast Hotels & Resorts and Radico Khaitan Ltd amongst others.



Mr. R V Raghavan
Non-Executive Independent Director

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 32 years of exposure to both finance function and general management of operations.

Mr. D P Agarwal is the Vice-Chairman and Managing Director of TCI. Mr. Agarwal has been associated with the industry for more than 47 years. He has been contributing in developing the unorganised logistics sector into an organised one. Mr. Agarwal holds Directorships in Boruka Power Corporation and Jai Bharat Maruti Ltd. Mr. Agarwal is also associated with various Chambers of Commerce including CII, FICCI & PHDCCI. He also takes active participation in many social and philanthropic activities for the common good.



Mr. D P Agarwal
VC & MD



Mr. Ashish Bharat Ram
Non-Executive Independent Director

Mr. Ashish Bharat Ram is the Managing Director of the SRF Group based out of India. He did his schooling from the Doon School following which he completed his Bachelor of Economics from University of Delhi. He subsequently worked for Toyota Motor Corporation in Japan as well as American Express Bank in India before completing his MBA from Cornell University in USA. On his return, he joined the SRF Group and worked in various functions and locations before taking over in his present assignment. Mr. Bharat Ram is a member of the Young Presidents Organization (YPO) Delhi Chapter



Mr. M P Sarawagi
Non-Executive Director

Mr. M P Sarawagi has been associated with the Company for the past 48 years. He possesses rich experience in the legal and commercial aspects of the transport industry. Mr. Sarawagi has also served/presently serves on the Boards of Boruka Finance Corporation of India, Boruka Investments, Orissa Tyres, Calcutta Goods Transport Association, All India Motor Union Congress and several other cultural associations. He is a Graduate in Law from the Calcutta University.



Mr. Vineet Agarwal
Joint Managing Director

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



Mr. Chander Agarwal
Executive Director

Mr. Chander Agarwal is the Executive Director of TCI. Diligent in nature, he has toiled his way through all levels of TCI since he joined as a management trainee. Mr. Agarwal has held various finance and management roles in other group companies / divisions like TCI Seaways, XPS etc. His hands-on experience with Transfreight USA, a 3PL specializing in 'lean logistics' for Toyota Motor vehicles, USA, has given him unmatched knowledge of the Supply Chain Management. Currently, he is spearheading Group TCI's international expansion.

Management Discussion and Analysis

Industry Overview

The Indian logistics industry is expected to grow at 15 to 20% per annum, reaching revenues of \$385 billion by 2015. It has generated employment for 45 million people. The demand for focused supply-chain services has been fuelled by industries with a high propensity to outsource: automobiles, consumer packaged goods, hi-tech, telecom and retail amongst others. The movement of basic commodities, domestically and globally, has led to an increase in multi modal and bulk transportation and to the emergence of many new ports and port-related services providers.

Source : Cushman and Wakefield

Industry Structure

India currently spends 12-13% of its GDP on logistics. For the sectors moving physical products this percentage is much higher because 55% of India's GDP is generated by the service sector. The industry as a whole is very fragmented and disorganized.

Roads

India has an extensive road network of 4.24 million km– the second largest in the world. The National Highways have a total length of 70,934 km and serve as the arterial road network of the country. It is estimated that more than 60 per cent of freight and 85 per cent of passenger traffic in the country is being handled by roads. While Highways / Expressways constitute only about 2 percent of the length of all roads, they carry over 40 per cent of the road traffic leading to a strain on their capacity. Roads serve as the dominant modes of transport in India due to greater coverage and higher flexibility in terms of door-to-door delivery giving it an edge over other modes of transport.

Railways

Rail is an environment-friendly, safe & secure mode of transport in India. It boasts of the second largest rail network in the world, yet its share in goods transportation is much less compared to the share of roadways.

The progress of railways' ambitious USD 22 billion Dedicated Freight Corridor (DFC) project will assist in attaining the achieved GDP growth during the 12th Five-Year

Plan (2012-17). The logistics sector would be greatly benefitted and achieve higher efficiency if the Indian Railways is successful in implementing its plans for improved speed of freight trains, up-gradation of rolling stock, improved signaling and communication systems setting up additional container depots and rationalization of the freight rates to remove distortions.

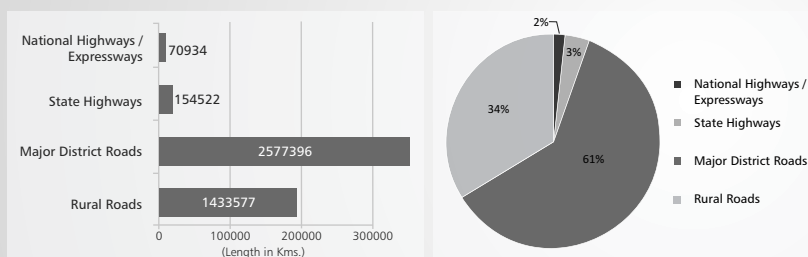
Air Cargo

The Indian air cargo segment is becoming one of the important links in the country's economic growth and is expected to grow by 8.5% per year for the next 5 years. Even though currently India accounts for a meager 3% of the size of the world air cargo market which is estimated at 27 million tonnes valued at USD 200 billion, India has extremely promising geographical features to position itself as an international air cargo hub. However, issues like inefficient cargo handling, transshipment infrastructure and dwell time reduction need to be addressed to enhance the potential of the sector.

Ocean / Port Sector

Ports provide an interface between the ocean transport and land-based transport. They represent a promising sector for India, given the country's 7500 km long coastline, robust economic growth, abundant raw material, cost-competitive workforce and a strategic location on the trade map. India's port infrastructure constitutes 13 major ports and 187 non-major ports. Of the non-major ports, only about 48 are operational; while the rest are only fishing

Length and percentages of different categories of highways/roads



India has the second largest road network in the world with a road length of 4.24 million km. A lack of co-ordinated planning intra state border issues, cumbersome documentation, bureaucracy and corruption leaves the average speed of trucks at only 21km/hr. Hence a truck can cover only 300-500 km/day versus double this figure in developed countries. While India's road freight volumes are increasing at a compounded annual growth rate (CAGR) of 9.08% and the population of vehicles (all types) is increasing at a CAGR of 10.76%, the road length is increasing at a CAGR of only 4.01%, indicating the paucity of roads. Moreover, roads are of poor quality, resulting in slow speed of vehicles, break-downs and accidents.

Source : TCI-IIMC Joint Study on Operational Efficiency of Freight Transportation by Road in India, 2012.

Indicative break-up of freight handled in the country

| (mn tonnes) | FY 05-06 | FY 06-07 | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 |
|--------------|----------|----------|----------|----------|----------|----------|
| Rail freight | 667 | 728 | 794 | 850 | 910 | 1025 |
| Road freight | 1,353 | 1,478 | 1,612 | 1,726 | 1,875 | 2,046 |
| Sea freight | 424 | 464 | 519 | 530 | 561 | 570 |
| Air freight | 1.4 | 1.55 | 1.71 | 1.7 | 1.9 | 2.1 |

Source: Industry data, IDFC-SSKI Research and Cushman and Wakefield

harbours. The 13 major ports are administered by the Central Government through the Ministry of Shipping, and non-major ports are under respective state governments.

Source: Transport Research Wing - MORTH

Third Party Logistics (3PL)

Third Party Logistics (3PL) is a business dynamic of growing importance all over the world. The factors related to transport infrastructure have adversely affected the logistics network in the country - both in terms of lead-time and costs. This is one of the key areas that need to be deliberated upon for such an initiative to succeed. Warehousing, inbound and outbound transportation, custom clearing and forwarding are the most frequently outsourced activities.

Warehousing

Warehouses are increasingly becoming key growth drivers in the logistics industry. Apart from conventional storing services, warehouses are now providing value-added services like consolidation and breaking up of cargo, packaging, labelling, bar coding and reverse logistics etc. Warehousing and related activities account for approx. 20% of the total logistics industry.

Logistics Parks

About 110 logistics parks spread over approximately 3,500 acres at an estimated cost of \$1 bn will be operational in the near future. Logistics parks benefit users by providing cost saving through economies of scale, shared multiple facilities & services under one roof. Availability of large land parcels at low cost, connectivity to multiple markets and industrial clusters has led to tier 2 and 3 cities as favoured destination for logistics parks and warehouses.

Challenges

According to a Fitch report, financing the maintenance of transport infrastructure, managing urban congestion, supply chain disruption on account of poor rural connectivity are some of the major challenges hampering the growth of the industry. The report projects that while India may be able to offer cost advantages due to lower labour or production costs, these effects could easily be offset by higher transport costs resulting from inadequate transport infrastructure.

Growth Drivers

The acceleration in industrial production and changes in consumption patterns have resulted in a high demand for basic and specialized logistics management, both at the local and cross border levels.

The impending change in the Indian tax system from the current state-level Value Added Tax (VAT) to a national and uniform Goods and Services tax (GST) should help to create a national market for many goods and services. The logistics sector is likely to respond by making more use of the hub and spoke systems, large scale warehousing and specialized services. A gradual opening up of key sectors like retail, aviation, defense etc. will also help boost the sector. The entry of multinational companies (MNCs) in sourcing, manufacturing and distributing could be the other growth drivers.

Future

In order to support the country's growing needs, there are several areas where the logistics industry needs prompt action. Some of the key priorities are :

- Comprehensive National Logistics Policy: Currently, the various components of logistics (surface transport, railways, shipping, air, commerce, finance) are all separate entities. There is a need to drive policy in a synchronized manner.
- Logistics infrastructure development : Investment into alternative traffic modes to road, particularly rail and coastal shipping, will not only ease traffic congestion but also bring down costs and minimize carbon emissions.
- Skill development: With growing complexity in managing supply chains and changing demands, there is a need to create focused and sustained skill enhancement and training programs.

There are several other areas like technology adoption, policy simplification for trade facilitation amongst others that require constant attention and focus. It is important for all key stakeholders to realize that the growth of the logistics industry will directly support the growth and development of India.

Business Divisions Overview

TCI is India's leading supply chain and logistics solutions provider offering single window integrated services backed by strong multi-modal transportation operations by road, rail, sea and air. TCI has strategically diversified as per customers' requirements. TCI has created specialised divisions offering solutions for all segments like surface, express, supply chain, warehousing, rail, air and sea freight to enhance the service offerings and increase stake holder value.

We at TCI believe that our in-depth experience and steady focus on qualitative and value added services would significantly the revenues and profitability of the company. Our strength lies in providing single window customised solutions through our various business divisions.



TCI Freight offers comprehensive multi-modal transport solutions through road and rail for cargo of any dimension or type.



TCI XPS offers a single window, door-to-door, time definite solution through road and air for customers' express requirements.



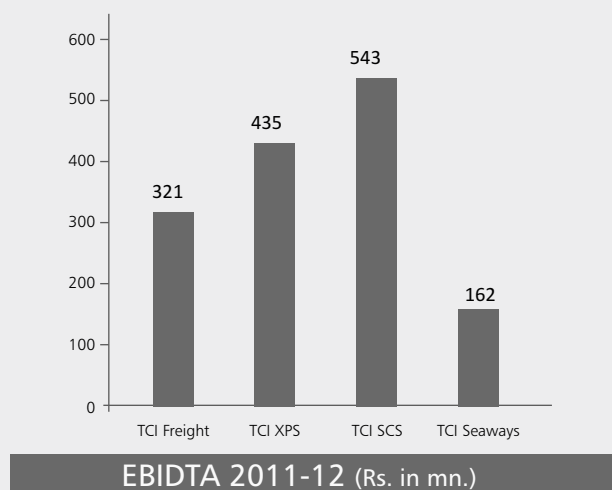
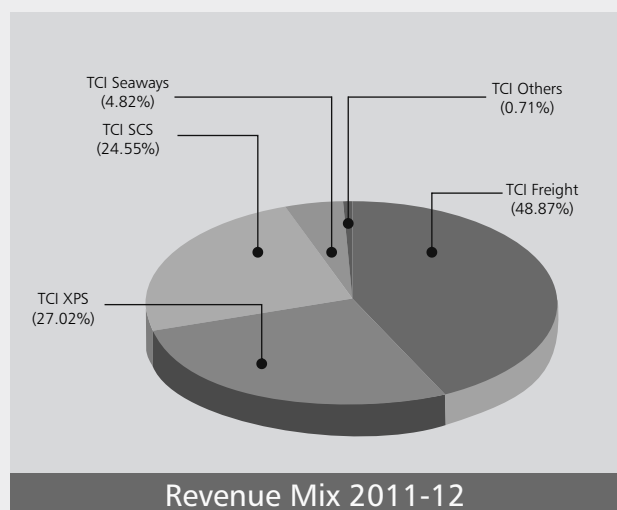
TCI Supply Chain Solutions is a single window enabler of supply chain solutions right from conceptualizing and designing the supply & demand chain network to actual implementation.



TCI Seaways has well-equipped ships in its fleet and caters to the coastal cargo requirements for transporting container and bulk cargo from islands and ports to various neighboring countries.



The global business division of TCI provides complete logistics and supply chain solutions across boundaries. It has 6 international offices at Singapore, Thailand, Bangkok, Jakarta, Malaysia and Brazil.



Outlook

At TCI, we will continue our focus to understand and fulfill customers' needs and deliver qualitative services. TCI will continue to grow and its main focus will be on enhancing stake holder value by offering newer and better solutions, incorporating latest technologies and best practices. By streamlining operational performances and improving efficiency, TCI will offer more value in terms of service and cost. Our future outlook will be to incubate new business segments and provide end to end solutions where value adds can be bundled to develop customised products.

A high GDP growth, implementation of GST and infrastructure investment is expected to bring a positive impact in the logistics sector. TCI is well equipped and geared to capitalise on these opportunities.

Divisional Overview

Revenue : Rs. 7850.8 mn.

Growth : -3.03%

Contribution to total revenue : 42.87%

EBIDTA : Rs. 320.8 mn.



Key expertise

Complete solutions: TCI Freight offers comprehensive multimodal transport solutions for cargo of any dimension or type. TCI Freight delivers a complete solution to its customers right from the FTL (Full Truck Load) to LTL (Less than truck load) to small packages, over dimensional & rail cargo.

Rich experience: Over the last five decades, with its strong infrastructure and skilled manpower, it has satisfied a diverse clientele by providing total logistics support. Its vast experience is a result of handling clients from different sectors like FMCG, Public Sectors, Engineering, Pharma and Chemical Sectors, amongst others.

Multimodal transportation: TCI set up its rail vertical in 2011-12 to provide end to end solutions via Road-Rail network thereby offering customers secure and cost effective services. TCI has also forayed into the multimodal containerized segment to cater to new markets. TCI Freight is offering this service from various sectors like north to north, north to south and south to east.

TCI Freight has also started a dedicated cargo express train connecting South to North East India. The average transit time for covering the distance has been reduced to 4-6 days. This cost effective solution provides customers with door to door pick up and delivery through an effective Road-Rail combination for all types of cargo.

Customer-Centric Solutions & Key Account Management: With its fully computerised operations supported by GPS-enabled vehicles, the customers can track movement of their goods 24X7. A dedicated customer care cell ensures that queries and issues from customers across India are addressed effectively and quickly. TCI Freight offers a single window solution to its clients through the Key Account Management set up, which operates 24X7 for managing the information flow and tracking the cargo movement.

Overview of 2011-12

- To ensure profitability in the business, TCI Freight discontinued financially unviable businesses. The division is confident that the move will be fruitful in the long run as the resources will be better utilised for new and profitable clients.
- Payments terms were rationalised with almost all the clients to ensure reasonable amount of operational cash flow.
- Processes were centralised for greater efficiency keeping in mind the importance of providing smooth deliveries to clients.
- TCI's rail business has seen considerable growth in the last one year since its launch and is currently engaged in container, parcel and bulk rail transportation.

Outlook for 2012-13

Due to its excellent services, TCI Freight has retained its customer base and is planning to explore new segments including rail and ODC. This will surely add numbers during this financial year. With payments terms rationalised, a good amount of cash flow will help the division function smoothly.

TCI aims to sustain the growth momentum of its rail business by offering customised container services and end to end logistics service including in-bound transportation, warehousing, value added services in warehousing, freight forwarding and out-bound transportation.

To increase the customers' base and penetration into new sectors, TCI Freight has planned to conduct customer meets across India in 2012-13.

Divisional Overview

Revenue : Rs. 4951.2 mn.

Growth : 7.79%

Contribution to total revenue : 27.02%

EBIDTA : Rs. 435.1 mn.



EXPRESS DISTRIBUTION SPECIALISTS

Domestic | International

Key expertise

- **Customised Solutions:** Customers' needs are increasing day-by-day and so are their expectations. To further strengthen its customers' base and expectations, TCI XPS has been changing itself and adapting new processes. Inspired by the rule "Follow the Customer", it offers customised solutions to meet the growing needs of its customers.
- **Multimodal services :** Owing to the infrastructural limitations of the industry, multimodal transportation is a ground reality. However, the biggest challenge is to use it effectively and efficiently in order to deliver optimum results. The efficient use of the surface and air transportation model has enabled TCI XPS to deliver better services to its clients.
- **Key Account Management:** With a host of world-class services and a customer-centric approach, TCI XPS ensures that its clients feel delighted every day, every time. A dedicated one-point contact system has been implemented for key accounts to ensure 100% customers' satisfaction.
- **Diverse Portfolio:** A diverse portfolio of clients provides an extensive knowledge on various industries which in turns helps grow businesses. The TCI XPS client base is from almost all sectors – Pharmaceutical to IT, Chemical to Fashion, Auto to Heavy Industry.
- **Value Added Services:** The logistics industry operates with certain limitations but TCI XPS walks an extra mile to reduce those limitations in order to deliver services as per the clients' needs. The Diplomat Service is one of the examples through which it delivers even to non service locations. The Holiday Service ensures that urgent deliveries reach on time even if it's a holiday.
- **Priority Express Delivery with Money Back Guarantee :** The division takes pride in giving priority to its clients' priorities. Priority Services are available from Priority Network Booking Branches to Priority Network Delivery Branches. The shipments are delivered within a time frame of 24 and 48 hours across 140 locations with a promise of Money Back.

Overview of 2011-12

- In the FY 2011-12, the division focussed on strengthening the internal operations and processes to get maximum output. To enhance the efficiency and performance of its hub centres, it installed new technologies, systems and processes.
- To set up a centralised monitoring system at all hub centres, it installed CCTV cameras and upgraded its technologies which has enabled it to handle equipment more efficiently.
- Introduction of customised MIS for clients has simplified the division's processes. Now, a customer is just a click away from any information through the company's portal.
- Multi-location dispatch became a reality with various pick points for a single customer which can be monitored from anywhere through a centralised system.
- De-centralization of touch points like customer care contact has helped consumers get response in the local language and by the local staff. However, the toll free number remains one for all India.
- Many new locations have been added to cover more destinations for its customers.
- As a marketing initiative, a new campaign was launched in leading business magazines with a theme on "Whenever. Wherever". The task was to establish a perception of timely delivery to maximum locations.

Outlook:

The division hopes that 2012-13 would be a better year as the initiatives taken during 2011-12 will help achieve the desired growth. Further upgradation of technologies with focus on barcodes will be a priority in the current year. Brand building exercise is being planned on a major scale and the division is hopeful that this would help in strengthening the brand. To achieve customers' satisfaction, the key accounts management process will be further strengthened and priority services will be extended to more areas for higher reach to customers.

Divisional Overview

Revenue : Rs. 4505.1 mn.

Growth : 14.52%

Contribution to total revenue : 24.58%

EBIDTA : Rs. 542.6 mn.



Key Expertise

Solutions Provider to diverse industries: TCI SCS provides solutions and specialized services to discerning sectors like Auto, Retail and Consumer Products, Hi-Tech, Chemicals, Life Sciences & Health Care and Cold Chain.

Complete services bouquet: It offers a complete array of Supply Chain and Logistics services - from Supply chain Consultancy covering network design to actual Implementation covering production logistics, warehousing / distribution centre management to outbound logistics.

TCI SCS is also the single window enabler for all Group TCI services for large clients and conglomerates.

Logistics Asset Base: A countrywide network of 9.25 mn square feet of owned and leased warehouses with own storage and material handling infrastructure and a 1000+ own fleet and dedicated vendors, with 24x7 tracking gives an iron grip on operations till the last detail.

Brand-enhancing clients: TCI-SCS enjoys an association with the indian and global MNC's including Bajaj Auto, General Motors, HeroMoto Corp, Maruti Suzuki, Tata Motors, Toyota, Volkswagen, Coca Cola, Café Coffee Day, Hindustan Unilever, Samsonite, Samsung etc.

Professional team management: A matrix and flat organization structure enables fast flow of information and countermeasures. At the customer end the Key Account Management (KAM) team is responsible and enabled for

single-window services. The division possesses a domain of specialists in their field of supply and demand chain.

Adequate safety measures: The safety of man, machine, material is practiced across all facilities and services. The division conducts Health Safety & Environment (HSE) audits by an onboard team of HSE Specialists and also practices Road Transport Health Safety Security and Environment (RTHSSE).

Overview, 2011-12

- While the industrial growth and sentiment has been weak, the division has achieved a robust growth through its high-value verticals, viz Auto, Hi-tech and Retail.
- The division has achieved an operating profit (EBIDTA) of 12% with a growth of 23% over the previous year.

Outlook

The division foresees a difficult year in terms of the economy and policy reforms. The division is however optimistic and geared up to meet the opportunities and challenges of the next fiscal. It is hopeful that policy reforms like GST, FDI etc will spur growth and create opportunities for the sector.

Increasing efficiency, competitiveness and cost control for strong operations and incubation of new business segments will be a priority for the year 2012-13.

Divisional Overview

Revenue : Rs. 243.3 mn.

Growth : -49.54%



Key expertise

Single-window advantage: TCI Global provides a single window advantage to its customers across all major South East Asian countries through a dedicated network of international offices in the region besides having strategic presence in high growth and emerging markets like Brazil (Latin America). TCI Global offers its customers end to end services ranging from customs clearance, international inbound and outbound freight handling (air and sea), primary and secondary warehousing/ redistribution, third party logistics, multimodal (air, surface and sea) services, ODC movements and project cargo.

Global Presence: TCI Global has 6 International offices at Singapore, Thailand, Indonesia, Malaysia, Vietnam, and Brazil.

Diverse product and customer mix: It handles all kinds of cargo (perishable, valuables, odd-size and general) and products (documents, automobiles, pharmaceuticals, consumer goods, power equipment, garments, agricultural and non-agricultural goods, among others).

Licensing and certification: It holds licenses at eight different ports for custom clearance and has tie-ups with agents in over 157 countries worldwide. Certified by IATA, it ensures reliable and globally-acclaimed services for its clients.

Overview 2011-12

- Started mission critical outbound logistics operations in Brazil with a dedicated Key Account Management System.
- Reduced operations in domestic and international low margin businesses.

Outlook

The division is firm to expand its customer base in the FY 2012-13. Moving ahead, the focus will be on getting new global contracts, widening vendor agreements, increasing people strengths and by reinforcing its position as an end to end integrated logistics player and further strengthening its position in SE Asia, Latin America and Africa.

Divisional Overview

Revenue : Rs. 883.6 mn.

Growth : 27.10%

Contribution to total revenue : 4.82%

EBIDTA : Rs. 161.8 mn.



Key Expertise

Well-maintained Fleet: TCI Seaways ensures timely deliveries for any FCL (Full Container Load) or LCL (Less than Container Load) shipment. It has 1200 TEU and five vessels.

Skilled workforce: It has a consortium of skilled professionals and technicians - offshore and onboard who are well versed with the latest technologies to provide best-in-class services to the clients.

High service level and retention of customers: By providing highly cost-effective services liner/chartering/agency, project handling and stevedoring, TCI Seaways delivers integrated logistics solutions to any business, effortlessly. It has an excellent reputation amongst its clients, for handling time sensitive cargoes. With an accident-free track record of more than 15 years, the division attends every feedback with sincerity and redresses all grievances up to its customers' level of satisfaction.

Better Time Management: TCI Seaways firmly believes in delivering on time logistics solutions. With effective services and a strong coastal network, it offers 'just in time' delivery to all its customers, all the time.

Overview of FY 2011-12

- The shipping industry witnessed a static phase in the year under review.
- TCI Seaways witnessed a growth rate of 27.30%. This was possible with acquisition of one ship in July 2011.
- The division sold one older ship to minimise operational costs.
- The 50:50 JV with Ann Sofie Scan ApS ceased operations and was closed.
- Well-planned dry-dock schedules helped TCI Seaways in improving the revenue generation and minimising repair costs.

Outlook

The division plans to add another ship to its fleet to start operations on the west coast of India and also plans to dispose of older tonnage which is costly to operate. By adapting new pricing policy and upgrading the level of services, it is all set to compete with new entrants and explore bigger opportunities in the industry.

Quality Driver: IT

The logistics industry is dominated by the unorganised sector and penetration of technology is almost negligible. Every logistics company needs to adopt an efficient identification technology, like Bar-coding and Radio Frequency Identification that save a lot of time and money in foot printing and tracking consignments and shipments.

With the adoption of a right and efficient technology in place, a logistics company can substantially reduce operational expenses. These technologies help in reducing the lead time and facilitate express distribution, reduce manual errors, and enable enterprises to set-up a lean cost structure for efficient working models.

In the era of globalisation, IT plays a vital role in integrating all business operations to a single platform, while enhancing business intelligence and customer relationship management. TCI's IT capabilities deliver a complete web-based solution to customers, facilitating consignment tracking, order booking and other facilities in addition to streamlining all the internal processes.

Overview 2011-12

- Enhanced IT investments by 15% over the last year.
- Developed automail generated reports, a push system that made it possible to send all reports at the ends of the day to respective mail boxes.
- Executed bar-coding for divisions wherever needed.
- Trained employees through regular training programmes on a monthly basis.

Outlook

The company is poised to invest Rs. 50 crore in the next five years to upgrade its Information Technology. It will implement the barcode system across all the divisions of the group. It also plans to implement data warehousing and disaster recovery centers for conducting sophisticated business modeling and information generation.

Quality Driver: HR

As TCI operates in a people driven industry, 'people' – be it internal (employees) or external (customers) have always been the top priority and key drivers of TCI's success. Recruitment, training and development of its human resource are some of the key processes that help TCI grow continuously. Sourcing the right candidates, engagement, development and retention of intellectual capital is a vital management exercise. TCI's human capital constitutes a diverse pool of knowledge – a judicious mix of youth, imagination, risk-taking ability and seasoned experience.

The key attributes of Human Resource Management at TCI

- Carefully designed management development programmes aimed at leadership development and enhancing personal & professional skills.
- With a strong retention policy, the attrition rate is lower than the industry average.
- While at entry level, candidates are recruited through campus selection, mid and senior level positions are filled up through internal postings. It provides employees opportunities to move up in the company.
- Training is given due importance to ensure that all employees at every level undergo required training.
- With the cross functional posting, people are encouraged to hone more skills apart from their core competencies.

- The long service award is given as a part of the retention policy.
- A sound and established appraisal system ensures desired fair performance appraisal & satisfaction level at all positions.
- A premier consultancy firm was engaged to redesign and strengthen the induction programme.
- Fast track career growth programme was launched to identify and groom employees for future leadership positions.
- Our value system CORE that guides our work ethics has become a part of all training programme so that employees can imbibe the basic philosophy of our company.

Outlook:

The company is continuously developing new ways to get effective and efficient HRM processes. Owing to the increasing market demand, continuous training, spotting talent at the early stage, developing and grooming talent for future roles are given due importance to meet the changing organisational needs of the future. The company also plans to launch a mentor programme under which talented young professionals will be attached to senior officials who will mentor and guide their growth and development.

Corporate Social Responsibility



"Life is one long opportunity
to be good and to do good"

- Late Shri P D Agarwal

Late Shri P D Agarwal, the Founder of TCI was a strong believer in the motto that life is one long opportunity to be good and to do good. All the work that goes on in TCI under Corporate Social Responsibility is firmly etched in this philosophy. The year gone by has been fruitful in terms of scale and new initiatives in the area of Corporate Social Responsibility.

Health

Truckers Programme

TCI Foundation (TCIF) added another feather in its cap in December last year by bagging the first ever Mahindra Navistar Transport Excellence Award under the NGO category – '**Accepting No Limits**', for the Project Kavach. Mahindra Navistar Transport Excellence Award is the first ever initiative taken on such a grand scale to recognize and reward Outperformance, Excellence, Innovation and Leadership in the Indian Trucking Industry.

In 2011-2012, TCIF as TSG covered approximately 4 million Long Distance Truckers (LDT) through various Behaviour Change Communications like Inter Personal Communication (IPC) session and mid media activities.

Following are the key achievements of the project in FY 2011-2012:

- Total truckers reached through mid media coverage i.e. Film shows, street shows, health games etc: 16,49,021
- Total Interpersonal communications coverage through 2,02,453 sessions: 23,07,165
- Out of 6,56,747 footfalls at the Khushi Clinics total of 5,71,711 truckers were treated.
- Total of 61681 truckers were tested at the (Integrated Council and Testing Centres) ICTC out of which 607 were tested positive.

- Total of 308 HIV positive truckers were linked to nearby Antiretroviral therapy (ART) centres.
- Through various condom vending machines, traditional outlets & nontraditional outlets identified around the intervention sites a total of 94,28,811 condoms have been sold through social marketing.

BMGF funded project 'Kavach'

Out of 15 kavach project interventions, TCIF has successfully transitioned 10 interventions to NACO. Through this, TCIF has successfully transferred key learnings from its intervention experience to the government and other key stakeholders.

Project 'Khushi' Replicated

In 2010-2011, Hindustan Petroleum Corporation Ltd. (HPCL) as part of their CSR initiative under Project Suraksha to improve the health seeking behaviour of long distance truckers, with the expertise of TCIF has replicated the Khushi Clinic Model of TCI Foundation in two of its Junction outlets:

- Hosur in Tamil Nadu
- Ravulapalem in Andhra Pradesh

In 2011-2012, HPCL extended its reach by opening two more clinics at the following junction outlets:

- Satara in Maharashtra
- Sikandra in Uttar Pradesh

Through this initiative, last year alone, TCIF reached out to 11,640 truckers and provided treatment to 2,328 unique long distance truckers on the NH-2, NH-4 & NH-5.

Road safety week in association with SIAM

Integrated road safety training modules and health camps were organized by TCIF in association with Society of Indian Automobile Manufacturers (SIAM) from 5th-9th January 2012 at 10 locations across India. TCIF reached out



to 851 long distance truckers through road safety training in the Transshipment locations and through Health Camps reached out to 1875 LDT. Total of 289 truckers were referred to nearby ICTCs. A special talk was facilitated on 'HIV & AIDS' prevention and care.

TCI's Workplace programme on HIV/AIDS

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

A module on HIV/AIDS awareness programme has been developed which is integrated with the overall training programmes of the TCI group. The staff of TCI get exposed to the training each time they go for training programmes in their core areas which are held in the three training centers of the group.

Dispensaries

The two dispensaries one each in Coimbatore and Port Blair are catering to the nearby villages around them. Basic services are provided free of cost.

Education

TCI DAV Public School

The school which was set up in 2005, in Khunti district, Ranchi, is growing slowly but surely. There is no denying the fact that it offers a lot of challenges in terms of the political vulnerability of the place and the fact that it is in the interior of Khunti district with problems of accessibility. The school organized its first annual sports day and annual function in February 2012.



Vocational Training Center

It's been two years since TCIF started the vocational training center called Jharcraft at Rachi, Jharkhand. Women, girls and boys are a part of the Vocational Training Center.

Two batches of women - each batch of about 20 women

have completed their training in handloom weaving.

TCIF entered into an MoU with NIIT Foundation to run the IT course in the center. About 50 students in two batches have completed their basic IT training accredited by NIIT Foundation. The students belong to the under privileged families in the villages in and around Jhamhar, the village in which the school and the Vocational training center are situated.

Disability

TCIF'S Artificial Limb Center

TCIF Jaipur Foot Center in Patna has completed four years in operation. It was set up to cater to and service the poor and provide artificial limbs, calipers and crutches. The center has serviced around 10,000 patients and has organised 22 camps since its inception.

The center has now been equipped with a mobile workshop which can cater to about 100 patients at any point of time.



Disaster Relief Assistance



Houses built by TCI handed over to the victims of cloud burst in Nimmo village in J&K.

TCIF has always responded to various situations of emergency by providing all that goes into an immediate relief kitty for victims of natural calamities.

When two cloudbursts hit Ladakh's Leh area in August 2010, washing away large parts of the town and wreaking havoc in a number of villages, TCI adopted a village - Nimmo in Leh which was the worst hit and started construction of houses for the victims. The houses have been re-built and handed over to the victims.

Risk Management

Industry Risk

Definition: Economic Slowdown may hamper company's performance.

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

Quality Risk

Definition: Poor Service may increase the competition risk.

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

Customer Concentration Risk

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

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

Liquidity Risk

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

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

Infrastructure Risk

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

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

Business Concentration Risk

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

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

Distribution Risk

Definition: An inadequate distribution network can affect growth.

Risk Mitigation: TCI has adequate distribution network which provides services at over 3,000 locations through its 1000+ fully computerized offices across the country, 5,000+ employees and 20,000 strong outsourced team in India and overseas, five cargo ships, 7,000 trucks and trailers under operation and 9.25 million sq ft of warehousing space.

Risk Management Model

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

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



DIRECTORS' REPORT

Dear Shareowners,

Your Directors are pleased to present the Seventeenth Annual Report of the Company together with the Audited Statement of Accounts and the Auditors' Report for the Financial Year ended 31st March, 2012.

Performance Overview

During the year ended 31st March, 2012, significant financial highlights are as under:-

(Rs. in mn.)

| Particulars | Consolidated | | Standalone | |
|--|----------------|----------------|------------------|-----------------|
| | 2011-12 | 2010-11 | 2011-12 | 2010-11 |
| Income | 19594.2 | 18563.9 | 18,323.00 | 17,601.4 |
| Profit before Finance Cost, Depreciation & Amortisation Taxation & Exceptional Item | 1621.1 | 1437.1 | 1488.7 | 1378.1 |
| Less: Finance Cost (Net) | 350.0 | 265.9 | 332.8 | 257.0 |
| Depreciation & Amortisation (Net) | 415.7 | 353.1 | 378.7 | 320.6 |
| Profit before Tax & Exceptional Item | 855.4 | 818.0 | 777.2 | 800.5 |
| Less: Exceptional Item | 0.0 | 0.0 | 40.0 | 0.0 |
| Profit before Tax | 855.4 | 818.0 | 737.2 | 800.5 |
| Less: Provision for Tax - Current | 258.9 | 254.9 | 212.00 | 224.4 |
| -Deferred | 5.0 | 16 | 8.22 | 17.0 |
| Profit after Tax | 591.5 | 547.2 | 517.0 | 559.0 |
| Taxes for earlier years | (1.9) | 46 | (1.46) | 45.8 |
| Share of (profit)/loss transferred to minority interest | (1.6) | (0.1) | 0.0 | 0.0 |
| Add: Balance in Profit and Loss brought forward | 180.4 | 189.7 | 82.5 | 75.4 |
| Profit available for appropriation | 775.4 | 691.0 | 600.9 | 588.6 |
| Appropriations: | | | | |
| - Interim dividend | 29.2 | 29.0 | 29.2 | 29.0 |
| - Proposed dividend | 49.5 | 40.2 | 43.6 | 36.3 |
| - Dividend Tax | 12.8 | 11.4 | 11.8 | 10.8 |
| - Tonnage Tax Reserve | 20.3 | 10.0 | 20.3 | 10.0 |
| - General reserve | 414.3 | 420.0 | 410.0 | 420.0 |
| Balance carried forward | 249.3 | 180.4 | 86.0 | 82.5 |
| | 775.4 | 691.0 | 600.9 | 588.6 |

On standalone basis, gross turnover during the year grew by 4.1% to 18,323 mn. Net turnover at 18,279.7 mn grew by 4%. Pre-tax profit decreased by -7.91% to 737.2 mn. Despite adverse market conditions, the Company has maintained its PAT for the year at Rs. 518.4 mn which is after absorbing an exceptional provision of Rs. 40 mn for losses / diminution in the value of equity investments in overseas JV/subsidiaries. Earning per Share for the year stands at Rs. 7.1. Cash flow from operations stood at 129.6 mn.

While on consolidated basis, total turnover during the year grew by 5.55% to 19,594.2 mn. Net turnover at 19,537.5 mn grew by 5.54%. Pre-tax profit increased by 4.58% to 855.4 mn. While post-tax profits at 595 mn recorded a growth of 18.69%. Earning per Share for the year rests at Rs. 8.19. Cash flow from operations stood at 307.3 mn.

General Reserve

Out of total profit of 518.4 mn on standalone basis for the financial year ended 31st March, 2012, an amount of Rs. 410 mn has been transferred to the General Reserves.

Dividend

Your Company has a consistent track-record of dividend payment. The Board of Directors of the Company had earlier approved payment of an interim dividend @ 20% on equity share of Rs. 2 each (Re. 0.40/- per equity share) amounting to Rs. 29.1 mn paid in the month of February, 2012. Further, your Board has recommended payment of final dividend @30% on equity share of Rs. 2 each (Re. 0.60 per equity share) for the year 2011-12. The payment of final dividend is subject to shareholders approval in the ensuing Annual General Meeting of the Company.

With this, the total dividend payout for the fiscal 2011-12 will be at 50% (Previous year @ 45%) on equity share of Rs. 2 each (Re. 1.00 per equity share) amounting to Rs. 72.72 mn on its paid-up equity capital of Rs. 145.4 mn.

Change in Capital Structure

During the year, following shares were issued due to exercise of options by employees under Employees Stock Option Scheme 2006 part-I, part-II and part-III of the Company;

- 71,820 equity shares allotted on June 21st, 2011.
- 54,750 equity shares allotted on July 19th, 2011.

Post this allotment, the outstanding issued, subscribed and paid up equity share capital stands increased from Rs. 145,177,240 to Rs. 145,430,380 as at March 31st, 2012.

Subsidiary Companies

Ministry of Corporate Affairs vide circular Nos. 02/2011 & 3/2011 dated February 8, 2011 & February 21, 2011 respectively had granted general exemption to holding companies from attaching copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the subsidiary companies to the Balance Sheet of the Company. In accordance with the said circulars, the Balance Sheet, Profit & loss Account & other documents of

the subsidiary companies are not being attached with the Balance Sheet of the Company.

The Company will make available annual accounts of the subsidiary companies and related detailed information to the shareholders of the Company who may be interested in the same.

The annual accounts of the subsidiary companies will also be kept open for inspection by any shareholders at the Registered Office of the Company and that of respective subsidiary companies.

Further, pursuant to Accounting Standard (AS)-21 prescribed under the Companies (Accounting Standards) Rules, 2006 and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI), Consolidated Financial Statements presented by the Company includes financial information of subsidiary(ies) / joint ventures of the company, which forms part of the Annual Report.

Abridged Annual Accounts

In accordance with SEBI Guidelines and Companies Act, 1956, abridged standalone and consolidated annual accounts for the year ended March 31st, 2012 are being circulated while detailed accounts will be made available on request and also at the venue of the Annual General Meeting.

Directors

During the year, Mr. Ashish Bharat Ram was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 effective from July 28th, 2011. He holds office up to the date of the ensuing Annual General Meeting. The Company has received notice from a member proposing his candidature as Non Executive Independent Director of the Company, liable to retire by rotation and accordingly, his candidature for appointment as a Director has been included in the Notice convening the Annual General Meeting.

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. S M Datta, Chairman, Mr. S N Agarwal and Mr. R V Raghavan retire by rotation at the ensuing Annual General Meeting, and Mr. S M Datta, Chairman and Mr. S N Agarwal being eligible, offer themselves for re-appointment.

In compliance with Clause 49(IV)(G)(i) of the Listing Agreement, a brief resume, nature of expertise & detail of directorships held in other companies of the directors proposing reappointment alongwith their shareholding in the Company, are furnished in the explanatory statement to the notice of the ensuing Annual General Meeting. Your Directors recommend their re-appointment.

Further, Mr. R V Raghavan, one of the retiring director, has expressed his inability to continue as director due to personal compulsions. Your board takes on record the appreciation for the services rendered by him during his tenure with the Company.

Further, since last Directors' Report, Mr. K Prabhakar has resigned from the Board of the Company. The Board places on record its gratitude for the services rendered by Mr. Prabhakar during his tenure as member of the Board.

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 and based on the information provided by the management, your directors state that:

- The applicable Accounting Standards have been followed along with proper explanations relating to material departures In the preparation of the annual accounts for the financial year ended March 31st, 2012;
- They 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 March 31st, 2012 and of the profit of the Company for the year under review;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- They have prepared the annual accounts on a going concern basis.

Auditors and Auditors' Report

The Statutory Auditors of the Company M/s. R S Agarwala & Co., Chartered Accountants, Kolkata, retire at the conclusion of the ensuing Annual General Meeting of the Company & have confirmed their willingness and eligibility for reappointment and have also confirmed that their reappointment, if made, will be within the limits stipulated under Section 224 (IB) of the Companies Act, 1956.

Further, M/s R S Agarwala & Co., Chartered Accountants, Bangalore, Branch Auditors of TCI Seaways, a Division of your Company, retire at the conclusion of the ensuing Annual General Meeting and they have confirmed their willingness and eligibility for reappointment and that their reappointment, if made, will be within the limits stipulated under Section 224 (IB) of the Companies Act, 1956.

In continuation, M/s K B Chitracar & Co., Chartered Accountants, Kathmandu, the Branch Auditors for branches situated in Royal Kingdom of Nepal, also retire at the conclusion of the ensuing Annual General Meeting and have confirmed their willingness and eligibility for reappointment and that their reappointment, if made, will be within the limits specified under Section 224 (IB) of the Companies Act, 1956.

The Board recommends their re-appointment for the next term.

Fixed Deposit

During the year under report, your Company has not received any fresh deposits.

The aggregate amount outstanding in respect of fixed deposits as on 31st March, 2012 is Rs. 4.48 mn against 32 fixed deposit holders. No amounts of deposits are pending unclaimed as on 31st March, 2012.

During the year the Company has repaid Rs. 2.17 mn in respect of 23 fixed deposit receipts.

Human Capital

The Company considers its employees to be the most valuable asset and is committed to providing conducive work environment to enable each individual employee to fully realize his or her potential. Continuous learning, updating HR systems in line with best practices and aligning rewards and recognition with performance have enabled the Company to sustain its reputation of a performance driven organization.

We focus on attracting, engaging and retaining our key resource i.e. employees. Employees are engaged at young age, undergo structured training, learn job requirement & groomed at different levels. Standard performance appraisal system encourages performance orientated work culture in our organization. Our reward and recognition programmes encourage internal competition among all employees & better performance. Preference is given to internal resources and most vacant positions are filled internally. We have engaged a premier HR consulting firm to strengthen our induction programme for young officers in the company, design & develop processes on identifying high potential employees and their career growth plan. We believe that these HR interventions will create leadership pipeline in organization.

Particulars of Employees

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is annexed and forms an integral part of this Report.

Internal Control System

The Company has in place adequate internal control systems commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, compliance with applicable statutes and safeguarding of assets of the Company. These systems ensure that transactions are executed in accordance with specified policies and resources are deployed as per the business plans and policies.

The Company has an in-house internal audit division and the head of internal audit function reports directly to the Audit Committee to ensure independence of this function.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Code of Conduct for prevention of insider trading and the Code for corporate disclosures are in force.

Listing

The equity shares of your Company continue to be listed on The Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company has paid annual listing fee for the financial year 2012-13 to BSE & NSE and annual custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares issued against stock options have been listed and trading permission has been granted by these stock exchanges.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, forms part of this Report.

Employees Stock Option Scheme

Your Company has established Employee Stock Option Scheme-2006 for its employees. Under the Scheme, during the year, 1,32,000 options in 2 tranches were vested with eligible employees of the Company. Out of above, 1,26,570 options were exercised by the employees. Accordingly, your Company allotted 1,26,570 Equity Shares to the employees as per following details:

| Date of allotment | Part I | Part II | Part III |
|------------------------------|--------|---------|----------|
| June 21 st , 2011 | 20,220 | 20,850 | 30,750 |
| July 19 th , 2011 | 17,400 | 10,350 | 27,000 |
| Total | 37,620 | 31,200 | 57,750 |

Furthermore, 2,75,000 options were granted by Remuneration Committee to entitled employees in their meeting held on 1st June, 2011 under the said Scheme vide Employee Stock Option Scheme IV.

The particulars as required under Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are annexed and forms part of this Report.

The certificate required under Clause 14 of the said Guidelines and as obtained from the Statutory Auditors with respect to the implementation of the Company's Employees Stock Option Scheme, 2006 shall be placed at the forthcoming Annual General Meeting.

Corporate Governance

Your Company fully adheres to the standards set out by the Securities and Exchange Board of India (SEBI) for Corporate Governance practices and has implemented all of its stipulations. TCI understands and respects its fiduciary role in the corporate world and besides adhering to the prescribed corporate practices, it voluntarily governs itself as per the highest national and international standards of Corporate Governance.

The Compliance Report on Corporate Governance and a certificate from Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of this

report.

Certificate of the CEO/CFO, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is attached to the Corporate Governance Report and forms part of this Report.

Corporate Social Responsibility Initiatives

Late Shri P. D. Agarwal, the Founder of TCI Group was of the strong belief that life was one long opportunity to be good and to do good. All the work that goes on in TCI under CSR is firmly etched in this philosophy. The year gone by has been fruitful in terms of scale and new initiatives in the area of Corporate Social Responsibility.

Vocational Training Centre

TCI Foundation (TCIF) started the vocational training centre in Jhamhar, near Ranchi, Jharkhand two years ago. Two batches of women each batch of about 20, have completed their training in handloom weaving.

TCIF entered into an MoU with NIIT Foundation to support us in running the IT course in the centre. About 50 students in two batches have completed their basic IT training accredited by NIIT Foundation. The students belong to the under privileged families in the villages in and around Jhamhar.

TCIF'S Artificial Limb Centre

Set up to cater and service the poor and provide artificial limbs, callipers and crutches, TCIF Jaipur Foot centre in Patna has completed four years in operation. The centre has serviced around 10,000 patients and has done 22 camps since its inception. The centre has now been equipped with a mobile workshop which can cater to about 100 patients at any point of time.

TCI DAV Public School

The school which was set up in 2005 is slowly but surely growing. There is no denying the fact that it offers a lot of challenges in terms of the political vulnerability of the place and the fact that it is in the interior of Khunti district with problems of accessibility. The school organized its first annual Sports Day and annual function in February 2012.

Dispensaries

The two dispensaries one each in Coimbatore and Port Blair are catering to the nearby villages around them. Basic services are provided free of cost.

Rehabilitation Activities in Leh, J&K

TCI had adopted a village by name Nimmo in Leh when it was hit by a cloud burst in August 2010 leaving the people of that village totally devastated. TCI handed over the houses that it built, to the victims of that calamity. The houses were handed over in the year 2011.

TCIF's Truckers Programme

TCI Foundation added another feather in its cap in December last year by bagging the first ever Mahindra Navistar Transport Excellence Award under the NGO category - 'Accepting No Limits', for the Project Kavach. Mahindra Navistar Transport Excellence Award is the first ever initiative taken on such a grand scale to recognize and reward Outperformance, Excellence, Innovation and Leadership in the Indian Trucking Industry.

In 2011-2012, TCIF as TSG covered approximately 40 lakhs Long Distance Truckers (LDT) through various Behavior Change Communications like Inter Personal Communication (IPC) session and mid media activities.

Following are the key achievements of the project in FY 2011-2012:

- Total truckers reached through mid media coverage i.e. Film shows, street shows, health games etc : 16,49,021
- Total Interpersonal communications coverage through 2,02,453 sessions : 23,07,165
- Out of 6,56,747 footfalls at the Khushi Clinics total of 5,71,711 truckers were treated at the Khushi Clinics.
- Total of 61,681 truckers were tested at the ICTC out of which 607 were tested positive.
- Total 308 HIV positive truckers were linked to nearby ART centres.
- Through various condom vending machines, traditional outlets & non-traditional outlets identified around the intervention sites total 94,28,811 condoms have been sold through social marketing.

BMGF Funded Project 'Kavach'

Out of 15 kavach project interventions, TCIF has successfully transitioned 10 interventions to NACO. Through this, TCIF has successfully transferred key learnings from its intervention experience to the government and other key stakeholders.

Suraksha Khushi project

In 2010-2011, HPCL as part of their CSR initiative under Project Suraksha to improve the health seeking behaviour of long distance truckers, with the expertise of TCIF, has replicated the Khushi Clinic Model of TCI Foundation in two of its Junction outlets:

- Hosur in Tamil Nadu
- Ravulapalem in Andhra Pradesh

In 2011-2012, HPCL extended its reach by opening two more clinics at the following junction outlets:

- Satara in Maharashtra
- Sikandra in Uttar Pradesh

Through this initiative, last year alone, TCIF reached out to 11,640 truckers and provided treatment to 2,328 unique long distance truckers on the NH-2, NH-4 & NH-5.

Celebrated Road Safety Week in Association with SIAM

Integrated Road safety trainings and health camps were organized by TCIF in association with Society of Indian Automobile Manufacturers (SIAM) from 5th - 9th January 2012 at 10 locations across India. TCIF reached out to 851 long distance truckers through road safety trainings in the transshipment locations and through Health Camps reached out to 1875 LDT. Total of 289 truckers were referred to nearby ICTCs. Special talk was facilitated on 'HIV & AIDS' prevention and care.

TCI's Workplace programme on HIV/AIDS

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

A module on HIV/AIDS awareness programme has been developed which is integrated with the overall training programmes of the TCI group. The staff of TCI gets exposed to the training each time they go for training programmes in their core areas which are held in the three training centers of the Group.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is forming part of this report.

Appreciation

Your Directors wish to take this opportunity to express their sincere gratitude for the valuable guidance and support rendered by the Central and State Governments, banks, financial institutions, business associates and various stakeholders, such as, shareholders, customers and suppliers, for their whole-hearted support and co-operation.

Your Directors would also like to place on record their deep and sincere appreciation for the hard work, dedication and unstinting efforts of your Company's employees to ensure that your Company reaches the pinnacle of success.

For and on behalf of the Board

Place : Gurgaon

S M Datta

Date : 30th May, 2012

Chairman

CEO/CFO Certification

The Board of Directors

Transport Corporation of India Ltd.

This is to confirm that:

- Financial statement and the cash flow statement for the year ended (consolidated and standalone) have been duly reviewed and that to the best of our information and belief: -
 - The statements do not contain any materially incorrect statement or exclude any material information or contain statements that might be deceptive;
 - The statements collectively present a realistic and fair status of the Company's affairs and are in conformity with existing standards, pertinent laws and rules.
- To the best of our knowledge and belief, no transactions have been entered into by the Company during the year which is deceitful, unlawful or in violation of the Company's code of conduct.
- We acknowledge accountability for setting up and preserving internal controls and that we have appraised the efficiency of the internal control systems of the Company and we have divulged to the auditors and the Audit Committee, discrepancies in the design or procedure of internal controls, if any, of which we are aware and the steps we have taken or recommend to take to set right these deficiencies.
- We have pointed out to the auditors and Audit committee:
 - Regarding noteworthy amendments in internal control during the year, whenever relevant;
 - That there were no considerable amendments in accounting policies during the period and that the same have been unveiled in the notes to accounts; and
 - That there were no occurrences of major scam of which we have become aware and the association therein, if any, of the management or a member of staff having such important role in the Company's internal control structure.
- We further assert that all members and senior managerial personnel have avowed observance with the code of conduct for the current year.

For Transport Corporation of India Ltd.

D P Agarwal

Vice Chairman & Managing Director

For Transport Corporation of India Ltd.

A K Bansal

Group CFO & Co. Secretary

Place: Gurgaon

Date : 30th May, 2012

ANNEXURES TO DIRECTORS' REPORT

I. PRESERVATION OF ENERGY, TECHNOLOGY ASSIMILATION, FOREIGN EXCHANGE EARNINGS AND OUTGO

a. STEPS TAKEN FOR PRESERVATION OF ENERGY

- We have continued our focus on improvement on the areas of warehousing handling and hub centre efficiency.
- Hand pallet trucks and pallets are provided in hub centres and major delivery centres. Energy saving equipments and lights of CFL has been used in hub centres.
- Long chassis vehicles have been engaged on long haul routes, resulting in fuel efficient movement of express cargo.
- On Technology front, we have converted Wi-Fi based hand handled scanning system, which in turn saved lot of manual hours.
- We are providing E-Pod to customers instead of hard copy of POD.
- We are engaging GPS enabled Vendor vehicles.
- Major hubs are under CCTV surveillance.
- All warehouses have 5-10% natural light provisions.
- All CRT Monitors have been replaced with LCD thus saving 70% of the power consumed in Monitors.
- Regular replacement and up gradation of fleet to higher capacity is bringing down our Energy / Ton by 3-5% and emissions by 5-10%.

- Paper conservation in offices has been extended to the operations with hand – held terminals being used for picking and put-away, thus saving paper across the logistics chain.

b. TECHNOLOGY ASSIMILATION:

IT keeps all stakeholders in tune with business needs & information. IT solutions are driving force for all supply chain management functions. Auto EDI (Electronic Data Interchange) option is very much adopted to faster the process and minimize/eliminate the errors & gaps. Most of the Associates / Business Partners / Customers use Electronic Data Interchange (EDI) facility for electronic transmission of data thus optimising effective overheads. Novel logistics solutions have facilitated conservative logistics companies to employ newer and enhanced practices of transportation of their services resulting in client contentment, immediate information availability & MIS, maintenance as well as new customer acquirement. With mobility application gaining impetus, this sector will become more customer centric & inventive in terms of providing instantaneous information of consignment movement during the supply chain cycle.

c. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in mn)

| Particulars | FY 2011-12 | FY 2010-11 |
|---------------------------|------------|------------|
| Foreign Exchange Outgo | 382.09 | 320.92 |
| Foreign Exchange Earnings | 141.06 | 122.59 |

II. Information as required u/s 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

| Sl No | Name /Qualification | Age | Title/ Nature of Duties | compensation (in Rs.) | Exp. (in Yrs.) | Date of Joining | Previous employment/ position held |
|-------|--|-----|---|-----------------------|----------------|-----------------|------------------------------------|
| 1 | Mr. D.P. Agarwal* B.Com. | 62 | Vice-Chairman & Managing Director, Overall Management | 34,323,442 | 47 | 10.04.1996 | VC&MD, TCI Industries Ltd |
| 2 | Mr. Vineet Agarwal* B.Sc. (Econ.) | 38 | Jt. Managing Director, General Management | 25,663,752 | 16 | 01.04.1996 | Executive, TCI Industries Ltd. |
| 3 | Mr. Chander Agarwal* B.Sc. in Business Admin. | 33 | Executive Director, General Management | 26,904,335 | 10 | 01.11.2002 | - |

*Nature of service contractual as per the terms of engagement.

Remark: Compensation declared above include inter-alia, value of perks and other benefits as per provisions of the Income Tax Act, 1961 and Rules made thereunder and Company's contribution to Provident Fund but does not comprise of Gratuity paid or contribution made to Gratuity Fund.

III. Information pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31st March 2012

| | Particulars Part I | ESOS 2006 Part II | ESOS 2006 Part III | ESOS 2006 Part IV | ESOS 2006 |
|--------------|--|---------------------------------|-------------------------------|---------------------------------|------------------------|
| a. | Number of options granted | 1,00,000 | 1,08,000 | 2,00,000 | 2,75,000 |
| b. | The Pricing Formula discount on Market Price | 52.63% discount on Market Price | 50% discount on Market Price | 48.47% discount on Market Price | 44.44% |
| c. | Number of options vested | 1,00,000 | 64,800 | 60,000 | - |
| d. | Number of options exercised | 88,800 | 63,000 | 57,750 | - |
| e. | Total number of shares arising as a result of exercise of options | 88,800 | 63,000 | 57,750 | - |
| f. | Number of options lapsed | 11,200 | 1,800 | 2,250 | - |
| g. | Variation in the terms of options | NA | NA | NA | NA |
| h. | Money realised by exercise of options (in Rs.) | 39,96,000 | 18,90,000 | 34,65,000 | - |
| i. | Total Number of Options in force | - | 43,200 | 1,40,000 | 2,75,000 |
| j. | Employee-wise details of options granted to: | | | | |
| (i) | Senior managerial personnel | Options granted | Options granted | Options granted | Options granted |
| | Mr. K. Prabhakar, Director* | 10,000 | 10,000 | 10,000 | - |
| (ii) | Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year | | | | |
| | 1. Mr. O. P. Jain, CEO -** TCI Freight Division | 10,000 | 10,000 | 10,000 | - |
| | 2. Mr. Jasjit Sethi, CEO - TCI SCS Division | 10,000 | 10,000 | 25,000 | 35,000 |
| | 3. Mr. P. C. Sharma, CEO - TCI XPS Division | 10,000 | 10,000 | 25,000 | 35,000 |
| | 4. Mr. H.S. Bhatia, CEO -** TCI Global Division | 10,000 | 10,000 | 15,000 | 20,000 |
| (iii) | Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | None | | | |
| k. | Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 (in Rs.) | 7.10 | | | |

| | | | | | |
|---|--|-------------|-----------|-----------|----------|
| I. | The impact on the profits and EPS of the fair value method is given in the table below - | (In Rs.) | | | |
| | Profit as reported | 518,428,078 | | | |
| | Add - Intrinsic Value Cost | 75,54,401 | | | |
| | Less - Fair Value Cost | 91,79,057 | | | |
| | Profit as adjusted | 516,803,422 | | | |
| | Earning per share (Basic) as reported | 7.13 | | | |
| | Earning per share (Basic) adjusted | 7.07 | | | |
| | Earning per share (Diluted) as reported | 7.10 | | | |
| | Earning per share (Diluted) adjusted | 7.07 | | | |
| m. Weighted average exercise price of Options whose | | | | | |
| (a) | Exercise price equals market price | Nil | Nil | Nil | Nil |
| (b) | Exercise price is greater than market price | Nil | Nil | Nil | Nil |
| (c) | Exercise price is less than market price (In Rs.) | 45.00 | 30.00 | 60.00 | 50.00 |
| Weighted average fair value of options whose | | | | | |
| (a) | Exercise price equals market price | Nil | Nil | Nil | Nil |
| (b) | Exercise price is greater than market price | Nil | Nil | Nil | Nil |
| (c) | Exercise price is less than market price | 57.24 | 34.96 | 68.407 | 51.91 |
| n. | Method and Assumptions used to estimate the fair value of options granted during the year: | | | | |
| | The fair value has been calculated using the Black - Scholes Option Pricing model | | | | |
| | The Assumptions used in the model are as follows: | | | | |
| | Date of grant | 23-May-08 | 21-May-09 | 19-May-10 | 1-Jun-11 |
| | 1. Risk Free Interest Rate | 7.91% | 5.28% | 6.01% | 8.30% |
| | 2. Expected Life | 2.22 | 2.22 | 2.22 | 2.18 |
| | 3. Expected Volatility | 55.24% | 58.26% | 60.19% | 48.88% |
| | 4. Dividend Yield | 1.40% | 0.88% | 0.85% | 0.82% |
| | 5. Price of the underlying share in market at the time of the option grant (in Rs.) | 95.00 | 59.75 | 116.45 | 92.10 |

* Mr. K Prabhakar ceased to be Director effective from 30.09.2011.

** Since ceased to be in employment with the Company.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an important tool for enhancing stakeholder value on a sustainable basis & creating wealth for organization. With the increasing complexity in business of organizations, sound governance practices are indispensable to build and sustain trust in all its stakeholders. The recent global phenomenon like the financial melt down, mega corporate failures and frauds have heightened the Corporate Governance practices and need for transparency and strong business ethics.

We, at Transport Corporation of India Limited (TCI), are committed to build and adopt best governance practices and its adherence in the true spirit, at all times. The governance practices followed by your Company have played a vital role in its journey of continued success. All the procedures, policies and practices followed by your Company are based on sound governance principles. Comprehensive disclosures, structured accountability in exercise of powers, adhering to international standards and commitment in compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. Our governance philosophy rests on following key principals, viz.,

- Board's accountability to the Company and stakeholders,
- Equitable treatment to all shareholders,
- Strategic guidance and effective monitoring by the Board,
- Protection of minority interests and rights,
- Timely disclosure of material facts to all stakeholders,
- Accuracy & transparency in disclosures.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. In terms of Clause 49 of the Listing Agreement executed with the stock exchanges, the detailed Corporate Governance Report of TCI is as follows:

BOARD OF DIRECTORS

The Board of your Company constantly endeavors to set goals and targets aligned to the Company's vision. The Board also defines Company's policy and oversees its implementation in attaining their goals. The details of each

member of Board along with number of Directorships/ Committee Memberships and date of joining of the Board are provided in this report.

(A) Composition of Board:

- As on 31st March, 2012, the Board of Directors comprised of ten Directors, out of which 70% are Non Executive directors. The Company has five Independent Directors, two Non Executive Directors and three Executive Directors with considerable experience in their respective fields.
- The composition of the Board is in conformity with Clause 49 of the Listing Agreement.
- All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement.
- None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director.
- All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than fifteen public companies.
- All Non Executive Directors are liable to retire by rotation. The appointment of the Managing Directors, including the tenure and terms of remuneration are also approved by the members. The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings.
- The Board reviews the declaration made by the Vice Chairman & Managing Director and Group CFO & Company Secretary of the Company regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non compliance.
- The Vice Chairman & Managing Director and Group CFO & Company Secretary of the Company have certified to the Board in accordance with Clause 49 V of the Listing Agreement pertaining to CEO and CFO certification for the Financial Year ended March 31st, 2012.
- The names and categories of the Directors on the Board, their attendance at Board Meetings/Annual General

Meeting (AGM) held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in companies are given herein below. Directorships do not include alternate directorships & Section 25 companies. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/ Investors Grievance Committees.

| Name & Designation of Director | Category | No. of Board Meetings Attended | Attendance in Last AGM (28.07.2011) | No. of Directorship (Including TCI) | | Committee Positions Held | |
|---|------------------------------------|--------------------------------|-------------------------------------|-------------------------------------|---------|--------------------------|----------|
| | | | | Public | Private | Member | Chairman |
| Mr. S. M. Datta (Chairman) | Independent Non-Executive Director | 4 | Yes | 14 | 02 | 05 | 03 |
| Mr. D. P. Agarwal (Vice Chairman & Managing Director) | Executive Promoter Director | 4 | Yes | 05 | - | 01 | 01 |
| Mr. Vineet Agarwal (Joint Managing Director) | Executive Promoter Director | 4 | Yes | 04 | 03 | 05 | - |
| Mr. Chander Agarwal | Executive Promoter Director | 4 | Yes | 04 | 16* | 01 | - |
| Mr. S. N. Agarwal | Non-Executive Director | 2 | Yes | 05 | 11 | 02 | 01 |
| Mr. O. Swaminatha Reddy | Independent Non-Executive Director | 4 | Yes | 08 | 05 | 01 | 05 |
| Mr. K. S. Mehta | Independent Non-Executive Director | 3 | No | 05 | 01 | 01 | 03 |
| Mr. R. V. Raghavan | Independent Non-Executive Director | 3 | Yes | 03 | - | 01 | - |
| Mr. M. P. Sarawagi | Non-Executive Director | 3 | Yes | 04 | 05 | - | - |
| Mr. Ashish Bharat Ram** | Independent Non-Executive Director | 2 | NA | 07 | 08* | 01 | 01 |
| Mr. K. Prabhakar*** | Non-Executive Director | 0 | No | NA | NA | NA | NA |

* Includes Foreign Companies

**Mr. Ashish Bharat Ram was appointed as an Additional Director by the Board of Directors of the Company with effect from 28th July, 2011.

*** Mr. K. Prabhakar ceased to be Director effective from 30.09.2011.

(B) Board Meetings:

- The day to day business conducted by the executives and business heads of the Company under the direction of the Board led by Vice Chairman & Managing Director.
- The Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. However, in

case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the next Board meeting.

- The agenda for the Board / Committee meetings is generally accompanied by background notes and other material information which is circulated to Directors in advance to facilitate discussion for taking an informed decision.
- The proceedings of the meetings of the Board and its

Committees are recorded in the form of minutes and the draft minutes are circulated to the Board within next two days for their perusal & comments.

- The important decisions taken at the Board / Committee meetings are communicated to the concerned departments/divisions promptly.

During the year under review, your Board met 4 times. The details of Board Meetings held during FY 2011-12 are as under:

| Sl. No. | Date of Board Meeting | City | Board Strength | No. of Directors Present |
|---------|-----------------------|-----------|----------------|--------------------------|
| 1. | June 01, 2011 | Gurgaon | 10 | 8 |
| 2. | July 28, 2011 | Hyderabad | 10 | 8 |
| 3. | November 01, 2011 | Gurgaon | 10 | 9 |
| 4. | February 02, 2012 | Gurgaon | 10 | 8 |

(C) Code of Conduct

The Board has laid down a Code of Conduct for all directors & senior management personnel of the Company in accordance with the requirement under Clause 49(I)(D) of the Listing Agreement. The Code is applicable to all Board members and executives who are designated at senior levels. The Code of Conduct is available on the website of the Company i.e., www.tcil.com.

All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2012. The declaration to this effect signed by Mr. D. P. Agarwal, Vice Chairman & Managing Director of the Company forms part of the report.

(D) Code of Conduct for Prevention of Insider Trading

The Board of Directors has also adopted a Code of Conduct for Prevention of Insider Trading in accordance with the Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008.

All the Directors, Senior Management Personnel and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company, are covered under the said code. Under the Code, the Directors, their relatives, Senior Management Personnel, designated employees etc. are restricted in dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company.

(E) Whistle Blower Policy

The Audit Committee and the Board have adopted a Whistle-Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and

make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no employee of the Company has been denied access to the Audit Committee.

(F) Board Business

The normal business of the Board includes:

- Strategies for shaping of portfolio and direction of the Company and in corporate resource allocation;
- Corporate annual plan and operating framework;
- Quarterly business performance reports;
- Board remuneration policy and individual remuneration packages of Directors;
- Convening a Meeting of shareholders of the Company, setting the agenda thereof and ensuring that a satisfactory dialogue with shareholders takes place;
- Declaration / recommendation of dividend;
- Review of functioning of the Board and its Committees;
- Review of functioning of the subsidiary companies;
- Annual review of accounts for adoption by shareholders;
- Quarterly and annual results announcements;
- Merger, acquisition, joint venture or disposals, if any;
- Recruitment and remuneration of senior management;
- Litigation review including materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents or dangerous occurrences;
- Any materially significant effluent or pollution

problems;

- Details of any joint venture or collaboration agreement;
- Significant labour issues and their proposed solutions;
- Significant development in the human resources and industrial relations fronts;
- Risk evaluation and control;
- Details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Compliance with all relevant legislations and regulations.

(G) COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

The Board has currently established the following statutory and non-statutory Committees:

(G) (I) AUDIT COMMITTEE

- The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- The terms of reference of the Audit Committee are broadly as under:
 - Overseeing the Company's financial reporting process and
 - Disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
 - Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services;
 - Reviewing with management the quarterly financial results before submission to the Board;
 - Reviewing with management the annual financial statements before submission to the Board;
 - Reviewing with management the quarterly / annual financial statements of the subsidiary companies;
 - Reviewing with management, external auditors and internal auditors, the adequacy of internal control systems;
 - Reviewing the adequacy of internal audit function;
 - Discussing with internal auditors any significant finding and reviewing the progress of corrective actions on such issues;
 - Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and then reporting such matters to the Board;
 - Discussing with external auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
 - Reviewing the Company's financial and risk management policies; and
 - Examining reasons for substantial default in the payment to shareholders (in case of non-payment of declared dividends) and creditors, if any.
- The Audit Committee invites such of the executives, as it considers appropriate, particularly the head of the finance function, representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- The previous Annual General Meeting of the Company was held on July 28th, 2011 and was attended by Mr. O Swaminatha Reddy, Chairman of the Audit Committee.
- Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:
 - 1st June, 2011
 - 28th July, 2011
 - 1st November, 2011; &
 - 2nd February, 2012

The composition of the Audit Committee and the details of meetings attended by its members are given below:

| Name | Category | No. of Meetings during the year | |
|------------------------------------|---------------------------------|---------------------------------|-----------|
| | | Held | Attendent |
| Mr. O. Swaminatha Reddy (Chairman) | Independent, Non- Executive | 4 | 4 |
| Mr. K. S. Mehta | Independent, Non- Executive | 4 | 3 |
| Mr. S. M. Datta | Independent, Non- Executive | 4 | 4 |
| Mr. S. N. Agarwal | Non-Independent, Non- Executive | 4 | 2 |

(G) (II) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

- The Board of Directors of the Company has constituted the Shareholders/Investors Grievance Committee. The Committee is entrusted with the responsibility to address the shareholders and investors complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. and ensures an expeditious share transfer process in line with the proceedings of the Share Transfer Committee.
- The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent of the Company, and also provides continuous guidance to improve the service levels for investors.

- Efforts are made to resolve all complaints/queries at the earliest possible. The Company has a proven track record of NIL Complaint Status as affirmed by NIL Complaint Status Letters received from both the Stock Exchanges i.e. NSE & BSE on quarterly basis.
- During the financial year ended 31st March, 2012, the Committee met four times on 1st June, 2011, 28th July, 2011, 1st November, 2011 and 2nd February, 2012.
- Mr A K Bansal, Group CFO & Company Secretary, is the Compliance Officer of the Company.

The details as to the composition of the Shareholders/Investors Grievance Committee, date(s) on which the meetings were held and the attendance of the members of the Committee during the financial year ended are as follows:

| Name of the Member | Category | No. of Meetings | |
|----------------------------|---------------------------------|-----------------|-----------|
| | | Held | Attendent |
| Mr. K. S. Mehta (Chairman) | Independent, Non- Executive | 4 | 3 |
| Mr. S. N. Agarwal | Non-Independent, Non- Executive | 4 | 2 |
| Mr. Vineet Agarwal | Executive, Promoter Director | 4 | 4 |

(G) (III) COMPENSATION/REMUNERATION COMMITTEE

- The Remuneration Committee comprises of three Directors, out of them two are Independent Directors.
- The broad terms of reference of the Remuneration Committee are as under:
 - To approve the annual remuneration plan of the Company.
 - To approve the remuneration and commission/

incentive remuneration payable to the Executive Directors each year

- Granting of new plans under Employee Stock Option Scheme-2006
- Such other matters as the board may think fit from time to time & request the Remuneration Committee to examine and recommend/approve.

The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

| Name of the Member | Category | No. of Meetings | |
|--------------------------|---------------------------------|-----------------|-----------|
| | | Held | Attendent |
| Mr. S M Datta (Chairman) | Independent, Non- Executive | 1 | 1 |
| Mr. O Swaminatha Reddy | Independent, Non- Executive | 1 | 1 |
| Mr. M P Sarawagi | Non-Independent, Non- Executive | 1 | 1 |

Remuneration Policy

- The remuneration of the Executive Directors is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro economic review on remuneration packages of heads of other organisations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1st, annually.
- A sitting fee of Rs. 15,000/- for attendance at each meeting of the Board and Rs. 10,000/- for Audit Committee, Shareholders' / Investors' Grievance Committee & Remuneration Committee is paid to its Members excluding Executive Directors & those members who have voluntarily chosen not to take any sitting fee. The sitting fees paid/payable to the non-whole-time Directors is excluded whilst calculating the above limits of remuneration in accordance with Section 198 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.
- The remuneration by way of commission to the non-executive directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and certain Committee meetings as well as time spent on matters other than at meetings. The Members had, at the Annual General Meeting held on July 28th, 2011, approved the payment of remuneration by way of commission to the non-whole-time directors of the Company, of a sum not exceeding 0.50 per cent per annum of the net profit of the Company computed in the manner laid down in Section 349 & 350 of the Companies Act, 1956, for a period of 5 years commencing April 1st, 2011.
- Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

Details of Remuneration of Executive Directors for the financial year ended 31st March, 2012

| Name of Director | Salary (Rs.) | Sitting Fees (Rs.) | Commission (Rs.) |
|---------------------|--------------|--------------------|------------------|
| Mr. D. P. Agarwal | 26,523,442 | - | 7,800,000 |
| Mr. Vineet Agarwal | 21,763,752 | - | 3,900,000 |
| Mr. Chander Agarwal | 17,004,335 | - | 3,900,000 |

Details of Remuneration of Non- Executive Directors for the financial year ended 31st March, 2012

| Name of Director | Salary (Rs.) | Sitting Fees (Rs.) | Commission (Rs.) |
|-------------------------|--------------|--------------------|------------------|
| Mr. S. M. Datta | - | 110,000 | 400,000 |
| Mr. S. N. Agarwal | - | Nil | 400,000 |
| Mr. O. Swaminatha Reddy | - | 110,000 | 400,000 |
| Mr. K. S. Mehta | - | 105,000 | 400,000 |
| Mr. R. V. Raghvan | - | 45,000 | 400,000 |
| Mr. M. P. Sarawagi | - | Nil | - |
| Mr. K. Prabhakar | - | - | - |
| Mr. Ashish Bharat Ram | - | 30,000 | 400,000 |

Notes:

- The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fees and/or payment of commission to them. The Company is paying fees to a firm of legal consultants of which a Non-Executive Director is a proprietor/partner.
- Mr. S. N. Agarwal did not accept any sitting fees while Mr. M. P. Sarawagi has chosen not to take any sitting fee/ commission voluntarily.
- Except Mr. S. N. Agarwal and Mr. M. P. Sarawagi who hold 930 and 10,930 equity shares through their relative, respectively, no other non-executive director holds any shares as on 31st March 2012.
- Mr. Ashish Bharat Ram was appointed as an Additional Director by the Board of Directors of the Company with effect from 28th July, 2011.

- Mr. K. Prabhakar ceased to be Director effective from 30.09.2011.

(G) (IV) Share Transfer Committee

- The Share Transfer Committee is formed exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures.
- The Committee comprises of two executive directors & and one non executive director of the Board.
- It considers applications for transfer, splitting up, consolidating share certificates and to order for cancellation of any share certificate and comply with provisions in this regard.
- The Committee meets every fortnight to approve the share transfers and other related matters in co-ordination with Abhipra Capital Limited, the Company's Registrar and Transfer Agent.

The composition of the Share Transfer / Transmission is given below :

| Sl. No. | Name of the Member | Category |
|---------|--------------------|---------------------------------|
| 1. | Mr. D P Agarwal | Executive, Promoter Director |
| 2. | Mr. Vineet Agarwal | Executive, Promoter Director |
| 3. | Mr. M P Sarawagi | Non-Independent, Non- Executive |

(G) (IV) FINANCE COMMITTEE:

- The Company has a Finance Committee to deal with some matters of highest importance whenever, due to some exigencies, holding a Board meeting is not possible.
- The terms of reference of the Committee covers the following:
 - To consider un-audited financials for the 1st & 3rd Quarter
 - To consider & approve Financial proposals from Banks/FIs –for both term loans as well as working capital, within permissible limit.
 - Such other issues as may be delegated by Board, from time to time.

SUBSIDIARY COMPANIES

- The Company does not have any material non-listed Indian subsidiary company falling under the criteria as

defined under Clause 49 of the Listing Agreement and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company.

- There were no strategic investments made by the Company's non-listed subsidiaries during the year under review.
- The Financial of the non-listed subsidiaries are placed before the Audit Committee on quarterly basis.
- The minutes of the subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies.
- The performance of its subsidiaries is also reviewed by the Board periodically.

GENERAL BODY MEETINGS

(I) Annual General Meetings

| Details | Date | Time | Venue |
|--------------------------------|-----------------------------|------------|--|
| Annual General Meeting 2008-09 | 22 nd July, 2009 | 11.00 A.M. | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 |
| Annual General Meeting 2009-10 | 21 st July, 2010 | 11.00 A.M. | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 |
| Annual General Meeting 2010-11 | 28 th July, 2011 | 11.30 A.M. | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 |

(II) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2011-12.

(III) Postal Ballot

No Postal Ballot was conducted during the year 2011-12.

(IV) Special Resolutions

At the Annual General Meeting of the Company held on July 28th, 2011, a Special Resolution was passed for the payment of commission to the non-whole-time Directors of the Company, for a period of five years commencing from 1st April, 2011 and authorizing the Board to determine the amount upto 0.50% of Net Profits of the Company. The resolution was passed with the requisite majority.

DISCLOSURES

- **Disclosures on materially significant related party transactions**
 - Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Note No. 26 to the Notes to the Accounts as stipulated under Accounting Standard 18 (AS-18), with the Promoters, Directors or the Management, their subsidiaries or relatives etc.
 - All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.
- **Details of non-compliance(s) by the Company**
 - The Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India on matters related to Capital Markets or any other matter, as may be applicable from time to time.

- There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

- **Disclosure of Accounting Treatment**

- The Company follows Accounting Standards prescribed by the Institute of Chartered Accountant of India and relevant provisions of the Companies Act, 1956.
- In preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standards.

- **Risk Management**

- The Company manages risks as an integral part of its decision making process.
- The Audit Committee and the Board of Directors are regularly apprised regarding key risk assessment and risk mitigation mechanisms.

- **Management Discussion and Analysis**

Detailed section on Management Discussion and Analysis is forming part of this annual report

MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as result announcement, annual report, media releases, Company's website and subject specific communications.

- **Quarterly Results**

The quarterly results are published in accordance with the

requirements of the Listing Agreement of the BSE and the NSE.

- **Newspaper in which results are normally published**

All India editions of The Hindu Business Line and Hyderabad editions of The Andhra Prabha. Results could also get published in any other reputed newspaper such as The Economic Times, The Financial Express and The Business Standard etc.

- **Any website, where displayed**

www.tcil.com

- **Whether it also displays official news releases; and presentation made to institutional investors or to the analysts:**

The Company's official news releases and presentations made to the institutional investors and analysts are available on the Company's website.

- **Other information available on the Website of the Company**

The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information like Financial Results, Annual Reports, Shareholding Pattern etc. A brief profile of Directors is also on the Company's website. Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the Company's website.

- **Filing of requisite informations with Stock Exchanges**

The Annual Report, Quarterly Results, Shareholding Pattern of the Company are filed with the Stock Exchanges on periodical basis.

GENERAL INFORMATION FOR MEMBERS

The Company is registered with the Registrar of Companies, Secunderabad, Andhra Pradesh . The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L70109AP1995PLC019116.

I. Annual General Meeting 2012

| | |
|---|--|
| Date | Thursday, 26 th July, 2012 |
| Venue | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 |
| Time | 11.00 A. M. |
| Book Closure date for Final Dividend | 21 st July, 2012 to 26 th July, 2012 |
| Last Date of receipt of Proxy Forms | Tuesday, 24 th July, 2012 before 11.00 a.m. at the Registered Office of the Company. |

II. Calendar of financial year ended 31st March, 2012

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2012 were held on the following dates:

| | |
|------------------------------|--------------------------------|
| First Quarter | 28 th July, 2011 |
| Second Quarter & Half Yearly | 1 st November, 2011 |
| Third Quarter & Nine Months | 2 nd February, 2012 |
| Fourth Quarter & Annual | 30 th May, 2012 |

III. Tentative Calendar for financial year ending 31st March, 2012

The tentative dates of Meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2013 are as follows:

| | |
|------------------------------|-------------------------------|
| First Quarter | 26 th July, 2012 |
| Second Quarter & Half Yearly | 1 st Nov 2012 |
| Third Quarter & Nine Months | 29 th January 2013 |
| Fourth Quarter & Annual | 30 th May, 2013 |

IV. Listing on Stock Exchanges

The Company's shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE).

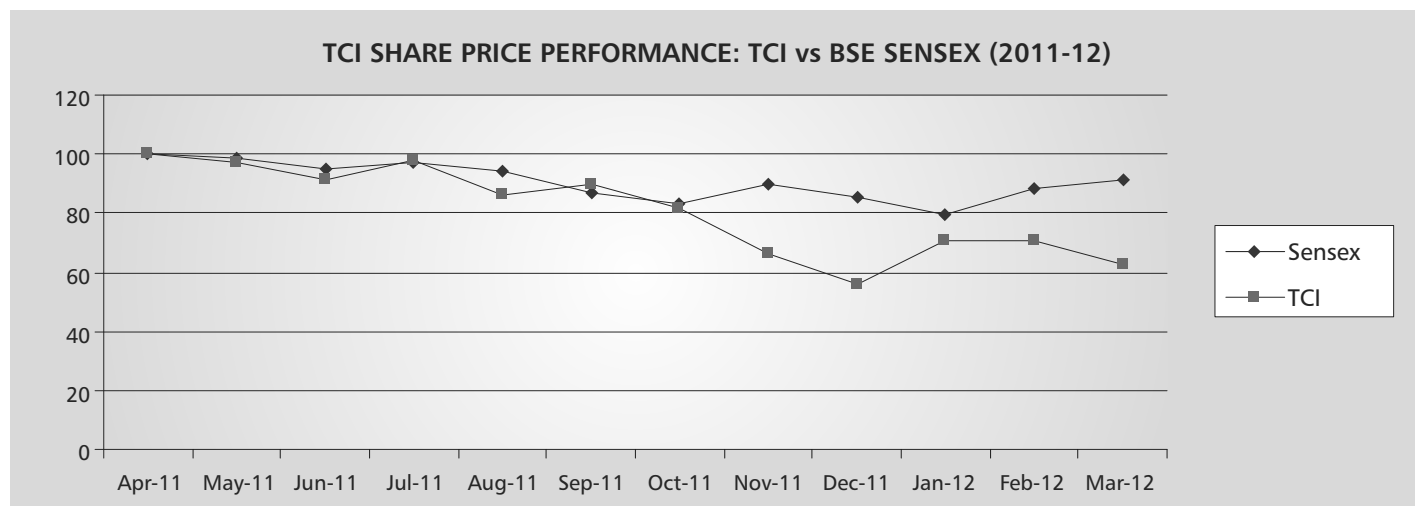
V. Stock Symbol

| | |
|--|--------|
| National Stock Exchange of India Limited | TCI |
| Bombay Stock Exchange Limited | 532349 |

*Listing Fees as applicable have been paid for the financial year ended March 31, 2012.

VI. Stock market data

The stock performance of TCI scrip during the financial year in comparison to BSE is plotted under:



VII. Market Price Information

Monthly high and low quotations, as well as the volume of shares traded at the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), for fiscal year are as follows:

| Month | Bombay Stock Exchange | | | National Stock Exchange | | |
|--------|------------------------|-----------------------|---------------------------|-------------------------|-----------------------|---------------------------|
| | High Price (In Rs.) | Low Price (In Rs.) | Volume (No. of Shares) | High Price (In Rs.) | Low Price (In Rs.) | Volume (No. of Shares) |
| Apr-11 | 106.25 | 94.5 | 354,114 | 106 | 94.5 | 849,278 |
| May-11 | 95.05 | 88.0 | 83,879 | 98.0 | 87.5 | 304,880 |
| Jun-11 | 95.0 | 82.0 | 124,052 | 94.9 | 82.0 | 316,405 |
| Jul-11 | 100.45 | 85.2 | 104,345 | 98.45 | 81.65 | 324,993 |
| Aug-11 | 97.95 | 74.05 | 79,131 | 95.0 | 73.15 | 314,790 |
| Sep-11 | 88.5 | 80.55 | 28,138 | 96.0 | 80.5 | 164,848 |
| Oct-11 | 85.1 | 74.55 | 81,106 | 94.9 | 74.0 | 193,572 |
| Nov-11 | 81.3 | 60.7 | 52,597 | 79.8 | 60.55 | 153,034 |
| Dec-11 | 64.9 | 52.05 | 52,773 | 70.0 | 53.0 | 176,655 |
| Jan-12 | 69.9 | 54.0 | 42,253 | 69.95 | 54.7 | 116,787 |
| Feb-12 | 75.0 | 64.0 | 127,505 | 82.4 | 63.4 | 197,334 |
| Mar-12 | 79.4 | 58.7 | 46,640 | 72.9 | 58.0 | 119,763 |

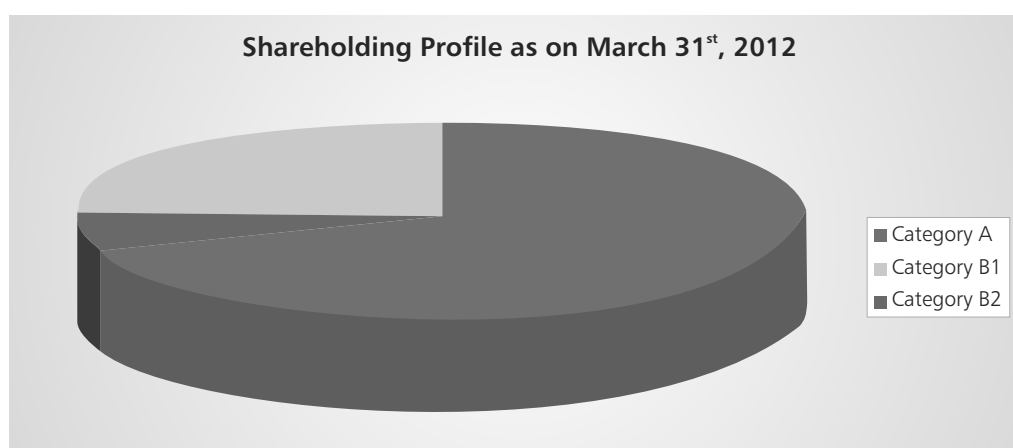
Source: BSE and NSE website

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in shares of the Company on the respective Stock Exchange.

VIII.Shareholding Pattern/profile of shareholding

The pattern of shareholding of your Company as on 31st March, 2012 is as follows:

| Code | Category of Shareholders | No. of Shares | %age of shareholding |
|------------|---|-------------------|----------------------|
| (A) | Shareholding of Promoter and Promoter Group (Indian) | | |
| (a) | Individuals/ Hindu Undivided Family | 16,218,962 | 22.30 |
| (b) | Bodies Corporate | 33,994,634 | 46.75 |
| | Total Shareholding of Promoter and Promoter Group (A) | 50,213,596 | 69.06 |
| (B) | Public shareholding | | |
| B 1 | Institutions | | |
| (a) | Mutual Funds/ UTI | 500 | 0.00 |
| (b) | Financial Institutions / Banks | 23,430 | 0.03 |
| (f) | Foreign Institutional Investors | 4,767,802 | 6.56 |
| | Sub-Total (B)(1) | 4,791,732 | 6.59 |
| B 2 | Non-institutions | | |
| (a) | Bodies Corporate | 2,894,769 | 3.98 |
| (b) | Individuals | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 8,283,401 | 11.39 |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 1,853,684 | 2.55 |
| (c) | Any Other (specify) | | |
| (c-i) | Non Resident Indians | 1,345,492 | 1.85 |
| (c-ii) | Overseas Corporate Bodies | 2,030,965 | 2.79 |
| (c-iii) | Clearing Members | 1,1603 | 0.02 |
| (c-iv) | Hindu Undivided Families | 1,289,948 | 1.77 |
| | Sub-Total (B)(2) | 17,709,862 | 24.36 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | 22,501,594 | 30.94 |
| | TOTAL (A)+(B) | 72,715,190 | 100.00 |



IX. Distribution of shareholding

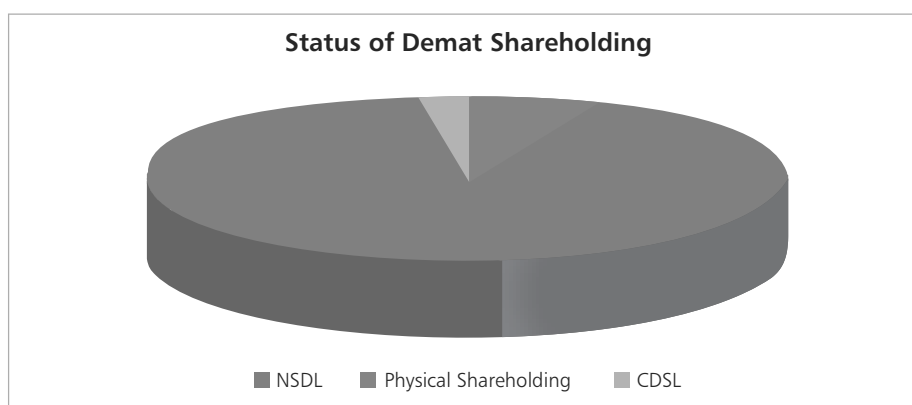
Distribution of shareholding of the Company by number of shares held as on 31st March, 2012 is as follows:

| Number of Equity share held | No. of Shareholders | % of Total Shareholders | No. of Shares | % of Total Shares |
|-----------------------------|---------------------|-------------------------|-------------------|-------------------|
| Upto 5,000 | 20,494 | 97.22 | 5,998,591 | 8.25 |
| 5,000-10,000 | 278 | 1.32 | 9,74,124 | 1.34 |
| 10,000-20,000 | 156 | 0.74 | 1,143,245 | 1.57 |
| 20,000-30,000 | 51 | 0.24 | 6,21,113 | 0.85 |
| 30,000-40,000 | 24 | 0.11 | 4,28,249 | 0.59 |
| 40,000-50,000 | 18 | 0.09 | 4,03,182 | 0.55 |
| 50,000-100,000 | 21 | 0.10 | 7,43,446 | 1.02 |
| 100,000 and above | 39 | 0.19 | 62,403,240 | 85.82 |
| Total | 21,081 | 100.00 | 72,715,190 | 100.00 |

X. Details about Company's dematerialised shares:

As on 31st March, 2012, 92.57% shareholding of the Company stands dematerialized representing 11,947 no. of shareholders, as detailed hereunder:

| Particulars | Number of shareholders | % of total shareholders |
|-----------------------|------------------------|-------------------------|
| Physical Shareholding | 5,402,687 | 7.43 |
| NSDL | 65,338,625 | 89.86 |
| CDSL | 1,973,878 | 2.71 |
| Total | 72,715,190 | 100 |



Shareholders, who continue to hold shares in physical form, are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialised form.

XI. Outstanding GDRs/ADRs/Warrants/Convertible Instruments

The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31st March, 2012.

XII. Dividend Policy:

- Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors.
- Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's

future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.

- The Board of Directors may also from time to time pay interim dividend(s) to shareholders.
- The Company has a track record of payment of regular dividend.

XIII. Unclaimed Dividends

- In terms of Sections 205A and 205C of the Companies Act, 1956, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by

the Central Government and thereafter cannot be claimed by the investors.

- To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF.
- Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund. In view of this, the Members of the Company, who have not yet encashed their dividend warrant(s) may write to the Company immediately
- The unpaid/unclaimed dividends upto Dividend for the FY 2003-04 had been transferred to the Investor Education and Protection Fund (IEPF) on 13th September, 2011.

Due dates for Transfer of Unclaimed Dividend to IEPF

| Year | Nature of Dividend | Date of Declaration | Due Date for transfer to IEPF |
|---------|--------------------|----------------------------|-------------------------------|
| 2004-05 | Final | 3 rd Sep, 2005 | 3 rd Oct, 2012 |
| 2005-06 | Final | 23 rd Oct, 2006 | 22 nd Nov, 2013 |
| 2006-07 | Interim | 9 th Feb, 2007 | 11 th Mar, 2014 |
| 2006-07 | Final | 25 th Jul, 2007 | 24 th Aug, 2014 |
| 2007-08 | Interim | 24 th Jan, 2008 | 23 rd Feb, 2015 |
| 2007-08 | Final | 29 th Jul, 2008 | 28 th Aug, 2015 |
| 2008-09 | Final | 22 nd Jul, 2009 | 21 st Aug, 2016 |
| 2009-10 | Interim | 22 nd Jan, 2010 | 21 st Feb, 2017 |
| 2009-10 | Final | 19 th May, 2010 | 18 th Jun, 2017 |
| 2010-11 | Interim | 20 th Jan, 2011 | 19 th Feb, 2018 |
| 2010-11 | Final | 28 th Jul, 2011 | 27 th Aug, 2018 |
| 2011-12 | Interim | 2 nd Feb, 2012 | 3 rd Mar, 2019 |

XIV. Address for Communication

All Shareholders' correspondence should be forwarded to M/s Abhipra Capital Limited, the Registrar and Transfer Agents of the Company or to the Investor Service Department at the Corporate Office of the Company at the addresses mentioned below:

| | |
|--|--|
| M/s Abhipra Capital Ltd. Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, G.T.Karnal Road, Azadpur, Delhi- 110033 Tel: 91-11-4239-0708, 4239-0725, 4239-0909 Fax: 91-11-2721-5530 | The Company Secretary Transport Corporation of India Ltd. Corporate Office, TCI House, 69, Institutional Area, Sector- 32, Gurgaon-122207 Tel: 91-124-238-1603-07 Fax: 91-124-238-1611 e-mail :ak.bansal@tcil.com, secretarial@tcil.com Website: http://www.tcil.com |
|--|--|

XV. Share transfer system

The applications and requests received by your Company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under the Companies Act, 1956

and the Listing Agreement.

XVI. Secretarial Audit for Capital Reconciliation

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with

National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors

GENERAL DO'S AND DON'TS

- Shareholders/ Beneficial holders should quote their Folio No./DP ID and Client ID, as the case may be, in all the correspondences with the Company.
- Shareholders/ Beneficial holders should mention their Contact Nos./ Fax Nos. and E-mail ID. Such E-mail ID shall be registered in the records of the Company.
- Shareholders are requested to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request, to the Company.

Securities and Exchange Board of India (SEBI), by its Circular No. MRD/DoP/Cir-05/2009 dated 20th May,

2009, and SEBI/MRD/DoP/SE/RTA/Cir-08/2010, dated 7th January, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares and for transmission, deletion and transposition of shares in physical form.

- Shareholders are requested to maintain a record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.
- Investors holding shares in dematerialised form should send all the communications related to change in address or change in bank details to their Depository Participant.

For **Transport Corporation of India Limited**

Place : Gurgaon

Date : 30th May, 2012

S.M. Datta
Chairman

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT AS PRESCRIBED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I HEREBY CONFIRM THAT:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2012.

For **Transport Corporation of India Limited**

Place : Gurgaon

Date : 30th May, 2012

D. P. Agarwal

Vice Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF TRANSPORT CORPORATION OF INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Transport Corporation of India Limited ('the Company') for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 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 the above mentioned Listing Agreement.

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

For R.S. Agarwala & Co.
Chartered Accountants

Place : Gurgaon

Date : 30th May, 2012

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

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 2012, the annexed Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date in which are incorporated the audited accounts of the TCI Seaways division and the branches in Nepal as audited by other auditors.

1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Attention is invited to Note 11 (ii) regarding investments in overseas subsidiary companies.
5. 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, Statement of Profit and Loss 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 Statement of Profit and Loss, the Balance Sheet and the Cash Flow Statement, comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
- v. On the basis of written representations received from the directors as on 31st March 2012 and taken on record by the Board of Directors none of the directors is disqualified as on 31st March, 2012 from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and accounting policies thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2012;
 - b) In the case of Statement of Profit and Loss, 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
Firm's Regn. No. 304045E

R S Agarwala

Partner

Camp: Gurgaon

Date: 30th May, 2012

Membership No. F-5534

Annexure to Auditors' Report

referred to in paragraph 3 of our report of even date:

1. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets. We are informed that a test physical verification of these assets was carried out by the management during the year and no material discrepancies were noticed.
2. 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.
3. (a) The Company has during the year granted interest free unsecured loans to two subsidiary companies and interest bearing loan to one Company. All the above companies are covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year aggregate to Rs.274 lacs and the year end balance to Rs.84 lacs. There are no stipulations as to the dates for repayment of the loan.
(b) The Company has taken unsecured loans of Rs. 55 lacs during the year from one company covered in the register maintained under Section 301 of the Act and was repaid during the year.
(c) In our opinion, the rate of interest and other terms and conditions of the above loans are not prima facie prejudicial to the interest of the Company.
4. 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.
5. (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.
6. 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.
7. The Company has appointed a firm of Chartered Accountants at the TCI Seaways Division to do the internal audit regularly. At other places the in-house internal audit department of the company conducted internal audit. The internal audit system is being constantly reviewed and strengthened to commensurate with the size and nature of Company's business.
8. 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.
9. (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 31st, 2012 which have not been deposited on account of a dispute and adjusted with the refunds due to the extent of Rs. 2475.15 lacs, are as under:

| Nature of Dues | Amount (Rs. in lacs) | Forum where pending |
|----------------------------|-------------------------|---|
| Income Tax | 4274.17 | Commissioner (Appeals) |
| Income Tax | 195.88 | Income Tax Appellate Tribunal |
| Excise Duty | 288.28 | Central Excise & Service Tax Appellate Tribunal |
| Trade Tax | 11.53 | High Court |
| Stamp Duty | 39.69 | Chief Controlling Revenue Authority |
| Employees' State Insurance | 29.00 | Supreme Court |

10. The Company has no accumulated losses as at March 31st, 2012 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. 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.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. 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.
15. 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.
16. 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.
17. 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.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
19. There are no debentures outstanding at the year end.
20. The Company has not raised any money by public issues during the year.
21. 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 explanation 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 management.

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

R S Agarwala
Partner
Camp: Gurgaon
Date: 30th May, 2012
Membership No. F-5534

BALANCE SHEET AS AT 31ST MARCH 2012

| | Notes | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|-------------|---------------------------------------|---------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 145,430,380 | 145,177,240 |
| Reserves and Surplus | 2 | 3,458,722,879 | 3,007,779,256 |
| | | 3,604,153,259 | 3,152,956,496 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 3 | 741,690,504 | 748,380,271 |
| Deferred Tax Liabilities (net) | 4 | 317,420,000 | 309,198,000 |
| Other Long-Term Liabilities | 5 | 239,689 | - |
| | | 1,059,350,193 | 1,057,578,271 |
| Current Liabilities | | | |
| Short-Term Borrowings | 6 | 2,094,948,581 | 1,788,440,390 |
| Trade Payables | 7 | 660,187,479 | 562,431,895 |
| Other Current Liabilities | 8 | 474,917,665 | 613,169,461 |
| Short-Term Provisions | 9 | 208,880,361 | 325,030,938 |
| | | 3,438,934,086 | 3,289,072,684 |
| TOTAL | | 8,102,437,538 | 7,499,607,451 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 10 | | |
| Tangible Assets | | 3,631,272,788 | 3,14,86,43,195 |
| Intangible Assets | | 95,135,975 | 8,56,56,395 |
| Capital Work-in-Progress | | 73,990,595 | 66,782,064 |
| Non-Current Investments | 11 | 306,244,241 | 291,137,834 |
| Long-Term Loans and Advances | 12 | 116,376,793 | 90,098,487 |
| Other Non-Current Assets | 13 | 5,820,415 | 5,373,658 |
| | | 4,228,840,807 | 3,687,691,633 |
| Current Assets | | | |
| Inventories | 14 | 19,636,836 | 14,068,324 |
| Trade Receivables | 15 | 3,073,561,387 | 2,994,605,725 |
| Cash and Bank Balance | 16 | 129,621,131 | 98,360,789 |
| Short-Term Loans and Advances | 17 | 642,814,711 | 700,800,905 |
| Other Current Assets | 18 | 7,962,666 | 4,080,075 |
| | | 3,873,596,731 | 3,811,915,818 |
| TOTAL | | 8,102,437,538 | 7,499,607,451 |
| THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS | 1-33 | | |

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

S. M. Datta
Chairman

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

Vineet Agarwal
Joint Managing Director
Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

| | Notes | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|-------------|---------------------------------------|---------------------------------------|
| REVENUE | | | |
| Revenue from Operations | 19 | 18,279,703,569 | 17,577,831,360 |
| Other Income | 20 | 43,296,565 | 23,546,279 |
| TOTAL REVENUE | | 18,323,000,134 | 17,601,377,639 |
| EXPENSES | | | |
| Operating Expenses | 21 | 14,738,265,398 | 14,369,608,790 |
| Employee Benefits Expenses | 22 | 970,227,213 | 851,479,974 |
| Other Expenses | 23 | 1,125,820,869 | 1,002,161,217 |
| Finance Cost | 24 | 332,838,449 | 257,048,801 |
| Depreciation and Amortization (Net) | 10 | 378,658,742 | 320,594,539 |
| TOTAL EXPENSES | | 17,545,810,671 | 16,800,893,321 |
| Profit Before Tax and Exceptional Items | | 777,189,463 | 800,484,318 |
| Exceptional Items | 11 | 40,000,000 | - |
| Profit Before Tax | | 737,189,463 | 800,484,318 |
| Tax Expenses | | | |
| Current Tax | | 212,000,000 | 224,400,000 |
| Deferred Tax | | 8,222,000 | 17,006,000 |
| Taxes for earlier years | | (1,460,615) | 45,843,753 |
| Profit For The Year | | 518,428,078 | 513,234,565 |
| Earning Per Share | 29 | | |
| Basic | | 7.13 | 7.07 |
| Diluted | | 7.10 | 7.07 |
| THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS | 1-33 | | |

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

S. M. Datta
Chairman

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

Vineet Agarwal
Joint Managing Director

Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

| | 31 st March 2012 | 31 st March 2011 |
|---|-----------------------------|-----------------------------|
| | Rupees In Lacs | Rupees In Lacs |
| A. Cash Flow From Operating Activities : | | |
| Net Profit Before Tax and Exceptional Items | 7,771.89 | 8,004.84 |
| Adjustments For : | | |
| Depreciation | 3,786.59 | 3,205.95 |
| Loss (profit) on Sale of Fixed Assets | (204.64) | (30.37) |
| Loss(profit) on Sale of Investments | 42.17 | - |
| Lease Rent Payments | 0.21 | 2.61 |
| Interest Payments | 3,328.38 | 2,570.49 |
| Interest Received | (39.84) | (28.20) |
| Dividend Income | (42.00) | (41.93) |
| | 6,870.86 | 5,678.55 |
| Operating Profit Before Working Capital Changes | 14,642.76 | 13,683.39 |
| Adjustments For : | | |
| Trade And Other Receivable | (1,114.84) | (4,575.10) |
| Inventories | (55.69) | (55.97) |
| Trade and Other Payables | 461.71 | 1,354.90 |
| Cash Generation From Operations | 13,933.94 | 10,407.22 |
| Interest Paid | (3,328.38) | (2,570.49) |
| (Direct Taxes Paid)/ Refund Received | (2,339.29) | (2,633.18) |
| NET CASH FROM OPERATING ACTIVITIES | 8,266.26 | 5,203.55 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets | (8,991.08) | (7,568.81) |
| Transfer of Fixed Assets on Demerger | | 2,104.43 |
| Sale of Fixed Assets | 415.57 | 196.04 |
| Purchase of Investments | (606.26) | (893.38) |
| Sale of Investments | 13.03 | - |
| Transfer of Investments on Demerger | | 1,553.10 |
| Foreign Currency Translation Difference | | (23.17) |
| Interest Received | 39.84 | 28.20 |
| Dividend Received | 42.00 | 41.93 |
| Lease Rent Payments | (0.21) | (2.61) |
| Loans and Advances | (320.99) | 214.94 |
| Transfer of Loans and Advances on Demerger | - | 1,110.91 |
| | | |
| NET CASH FROM INVESTING ACTIVITIES | (9,408.09) | (3,238.42) |
| C. CASH FLOW FROM FINANCING ACTIVITIES:- | | |
| Proceeds from issuance of Share Capital | 120.46 | 45.23 |
| Transfer of Reserves on Demerger | - | (5,266.58) |
| Proceeds from Short Term Borrowings | 13,300.00 | 7,511.70 |
| Repayment of Short Term Borrowings | (10,252.45) | (4,115.31) |
| Proceeds from Term Borrowings | 4,097.41 | 4,462.66 |
| Repayment of Term Borrowings | (5,050.34) | (4,909.28) |
| Payment of Dividend | (654.47) | (653.30) |
| Payment of Dividend Tax | (106.17) | (107.58) |
| NET CASH FROM FINANCING ACTIVITIES | 1,454.42 | (3,032.46) |
| | | |
| NET INCREASE(DECREASE) IN CASH & CASH EQUIVALENT (A+B+C) | 312.60 | (1,067.33) |
| CASH & CASH EQUIVALENT AS ON 31.03.2011 | 983.61 | 2,050.94 |
| CASH & CASH EQUIVALENT AS ON 31.03.2012 | 1,296.21 | 983.61 |

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

S. M. Datta
Chairman

Vineet Agarwal
Joint Managing Director

Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

NOTES TO THE FINANCIAL STATEMENT

1. SHARE CAPITAL

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Authorised : | | |
| 100,000,000 Equity Shares of Rs 2 Each | 200,000,000 | 200,000,000 |
| 500,000 Preferential Shares of Rs 100 Each | 50,000,000 | 50,000,000 |
| | 250,000,000 | 250,000,000 |
| Issued, Subscribed and Paid up : | | |
| 72,715,190 Equity Shares of Rs.2 Each Fully Paid up | 145,430,380 | 145,177,240 |
| 72,588,620 In Previous Year | | |

The Company has only one class of equity shares having a par value of Rs 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Reconciliation of The Number of Shares Outstanding

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|------------------|-----------------------------|------------------|
| | Numbers of shares | Amount in Rupees | Numbers of shares | Amount in Rupees |
| Shares at the beginning of the year | 72,588,620 | 145,177,240 | 72,528,245 | 145,056,490 |
| Add: Allotted under Employee stock option scheme | 126,570 | 253,140 | 60,375 | 120,750 |
| Shares at the end of the year | 72,715,190 | 145,430,380 | 72,588,620 | 145,177,240 |

Details of Shareholders Holding More Than 5% Shares:

| Name of Shareholders | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | Numbers of shares held | % of holding | Numbers of shares held | % of holding |
| Bhoruka Finance Corporation of India Limited | 15,869,679 | 21.82 | 15,869,679 | 21.86 |
| Bhoruka International (P) Limited | 10,490,505 | 14.43 | 10,490,505 | 14.45 |
| Mr D.P Agarwal | 4,974,995 | 6.84 | 4,974,995 | 6.85 |
| TCI India Limited | 4,595,028 | 6.32 | 4,021,540 | 5.54 |
| FDI Funds (Mauritius)(Non Promoter Group) | 4,021,540 | 5.53 | 4,595,028 | 6.33 |

Shares Reserved for Issue Under Options:

458,200 equity share of Rs 2/- each are reserved under employee stock option scheme as on 31st March 2012 (Previous year 315600) . of this 185,700 options , 162,500 options and 110,000 options will vest in the year 2012-13, 2013-14 and 2014-15 respectively

2. RESERVES & SURPLUS

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Revaluation Reserve | | |
| As Per Last Balance Sheet | 144,435,349 | 145,536,043 |
| Less: Depreciation on revalued amount (i) | 37,976 | 37,976 |
| On sale of revalued assets | - | 1,062,718 |
| | 144,397,373 | 144,435,349 |
| Securities Premium Reserve | | |
| As Per Last Balance Sheet | 515,835,627 | 631,031,740 |
| Additions during the year (ii) | 11,792,407 | 4,403,430 |
| Less: Transferred on demerger of Real Estate & Warehousing Division | - | 119,599,543 |
| | 527,628,034 | 515,835,627 |

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|---------------------------------------|---------------------------------------|
| Share Options Outstanding Account | | |
| As Per Last Balance Sheet | 15,407,760 | 6,486,800 |
| Add : Created against stock option granted during the year (iii) | 11,577,500 | 11,290,000 |
| Less : Transferred to security premium reserve (iv) | 5,951,648 | 2,284,305 |
| Reversed on cancellation of options not exercised (v) | 274,392 | 84,735 |
| | 20,759,220 | 15,407,760 |
| Capital Redemption Reserve | | |
| As Per Last Balance Sheet | 19,400,000 | 19,400,000 |
| Capital Reserve | | |
| As Per Last Balance Sheet | - | 407,058,452 |
| Less: Transferred on demerger of Real Estate & Warehousing Division | - | 407,058,452 |
| | - | - |
| General Reserve | | |
| As Per Last Balance Sheet | 2,070,000,000 | 1,650,000,000 |
| Add: Transferred from Statement of Profit and Loss | 410,000,000 | 420,000,000 |
| Transferred from reserve under section 33AC of Income Tax Act (note vi) | 47,700,000 | - |
| | 2,527,700,000 | 2,070,000,000 |
| Reserve Under Section 33AC of Income Tax Act 1961 | | |
| As Per Last Balance Sheet (utilized) | 47,700,000 | 47,700,000 |
| Less: Transferred to General Reserve (vi) | 47,700,000 | - |
| | - | 47,700,000 |
| Tonnage Tax Reserve | | |
| As Per Last Balance Sheet (utilized)(vii) | 112,500,000 | 102,500,000 |
| Add: Transferred from Statement of Profit and Loss (viii) | 20,300,000 | 10,000,000 |
| | 132,800,000 | 112,500,000 |
| Surplus | | |
| As Per Last Balance Sheet | 82,500,520 | 75,354,207 |
| Add: Profit for the year | 518,428,078 | 513,234,565 |
| Less: Interim Dividend | 29,153,053 | 29,035,448 |
| Proposed Dividend | 43,629,114 | 36,294,310 |
| Tax on Dividend | 11,808,179 | 10,758,494 |
| Transferred to: | | |
| General Reserve | 410,000,000 | 420,000,000 |
| Tonnage Tax Reserve | 20,300,000 | 10,000,000 |
| Closing Balance | 86,038,252 | 82,500,520 |
| Total | 3,458,722,879 | 3,007,779,256 |

Note

- (i) Transferred to Statement of Profit and Loss being depreciation provided on revalued amount
- (ii) On allotment of equity shares under Employees' Stock Option Scheme.
- (iii) In respect of options granted under the Employees' Stock Option Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options (based on market value of share on the date of grant of options minus option price) is accounted as deferred employee compensation, which is amortised on a straight line basis over the vesting period. Consequently salaries, wages and bonus includes Rs. 69,73,760 being amortisation of deferred employee compensation
- (iv) Transferred to Security Premium on allotment of equity shares during the year under Employees' Stock Option Scheme.
- (v) Reversed on cancellation of Options not exercised
- (vi) Fully utilized for acquisition of Ships and transferred to General Reserve.
- (vii) Amount utilized for acquisition of Ships.
- (viii) Transferred from Statement of Profit and Loss.

3. LONG-TERM BORROWINGS

| Particular | Non-Current | | Current Maturities | |
|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 31 st March 2012 | 31 st March 2011 | 31 st March 2012 | 31 st March 2011 |
| | Rupees | Rupees | Rupees | Rupees |
| Secured | | | | |
| Term Loans | | | | |
| From Banks | 561,590,344 | 665,335,368 | 341,500,266 | 439,011,362 |
| From Others | 177,407,160 | 78,647,403 | 40,854,584 | 33,651,675 |
| Unsecured | | | | |
| Fixed Deposits | 2,693,000 | 4,397,500 | 1,789,500 | 2,252,000 |
| Total | 741,690,504 | 748,380,271 | 384,144,350 | 474,915,037 |

Other Information Pertaining to Nature of Security

| Particulars of Nature of Security | Secured to the Extent | |
|--|--|--|
| | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
| Term Loans from Banks | | |
| 1025 nos. of General Cargo Containers and Property at D-29-2-26, Allipuram Ward, Vishakhapatnam | 92,333,334 | 129,333,334 |
| Properties situated at (1) Gut no. 623, 624 & 625/1, Village Mahalunge (Ingle), Taluka Khed, Chakan, Distt. Pune and (2) Plot no 18, Block 32, Sy. No. 96/1/A, Auto Nagar, Vanasthalipuram, Ranga Reddy, Hyderabad. | 120,000,000 | 162,500,000 |
| Land including WindMill of 2.50 MW installed thereon at Sangli (Maharashtra) | 1,777,645 | 6,135,343 |
| | 35,140,593 | 65,096,926 |
| Land including WindMill of 2.50 MW installed thereon at Sodamada (Rajasthan) | - | 11,861,127 |
| Properties situated at (1) Hadbast no. 234, Khewat/ Jambanch no. 115/125, Village Chak Gurjan, Distt. Hoshiarpur (Punjab) (2) Flat no. 306, 3rd Floor, Ashoka Bhoopal Chambers, 1-8-271 to 273, 146/A, Sardar Patel Road, Secunderabad (3) Property at Flat no. 307 3rd Floor, Ashoka Bhoopal Chambers, 1-8-271 to 273, 146/A, S. P. Road, Secunderabad (AP) | - | 31,269,553 |
| Properties situated at (1) Khasra no. 79, Mouza-Chimnazari, P.H. No. 84, N.H. 7, Dist. Nagpur, (2) Village Jhundsarai Viran, Faruknagar, Pataudi, Gurgaon, (3) Survey no. 10/6B, 105/10B, 117/3B and 117/6B at no. 155, Mambakkam Village, Sriperembudur Taluk, Distt. Kancheepuram and a Ship TCI- Surya | - | 122,322,264 |
| Trucks and Cars acquired against individual loan | 653,839,038 | 575,828,183 |
| Sub Total | 903,090,610 | 1,104,346,730 |
| Term Loans from Others | | |
| Land including Windmill of 1.50 KW installed thereon at Jharandi (Maharashtra) | 40,067,000 | 46,479,000 |
| (1) Trucks and (2) Secured by first charge on the mortgage of TCI Prabhu | 175,897,417 | 46,998,676 |
| Trucks acquired against individual loan | 2,297,327 | 18,821,402 |
| Sub Total | 218,261,744 | 112,299,078 |
| Total | 1,121,352,354 | 1,216,645,808 |

4. DEFERRED TAX LIABILITY (Net)

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|---------------------------------------|---------------------------------------|
| Difference Between Book and Tax Depreciation | 331,379,000 | 315,553,000 |
| Disallowance Under Income Tax Act | (8,606,000) | (5,061,000) |
| Other Items | (5,353,000) | (1,294,000) |
| Total | 317,420,000 | 309,198,000 |

5. OTHER LONG TERM LIABILITY

| | | |
|------------------------------------|---------|---|
| Interest Accrued on Fixed Deposits | 239,689 | - |
|------------------------------------|---------|---|

6. SHORT TERM BORROWING

| | | |
|-----------------------|----------------------|----------------------|
| Secured | | |
| Working Capital Loans | | |
| From Bank (i) | 944,305,701 | 1,037,850,527 |
| Unsecured | | |
| Other Loans | | |
| From Banks (ii) | 1,150,000,000 | 650,000,000 |
| From Others | | 100,000,000 |
| From Directors | 642,880 | 589,863 |
| Total | 2,094,948,581 | 1,788,440,390 |

(i) Working capital loans are secured by hypothecation of books debts as primary security along with land properties as collateral

(ii) Commercial Paper

7. TRADE PAYABLE

| | | |
|-----------------------|-------------|-------------|
| Other than Acceptance | 660,187,479 | 562,431,895 |
|-----------------------|-------------|-------------|

8. OTHER CURRENT LIABILITIES

| | | |
|--|--------------------|--------------------|
| Current Maturities of Long-term Debt | | |
| From Banks | 341,500,266 | 439,011,362 |
| From Others | 40,854,584 | 33,651,675 |
| Current Maturities of Deposits | 1,789,500 | 2,252,000 |
| Overdrawn Bank Balance | 1,095,106 | 838,440 |
| Interest Accrued but Not Due on Borrowing | 5,277,359 | 6,916,688 |
| Interest Accrued and Not Due on Fixed Deposits | 648,902 | 684,808 |
| Unpaid/ Unclaimed Dividends | 6,712,878 | 5,898,529 |
| Unclaimed Fixed Deposits | 166,320 | 176,320 |
| Advances From Customers | - | 2,282,919 |
| Trade / Security Deposits | 34,433,995 | 32,622,149 |
| Due to Gratuity Fund | 16,712,545 | 11,748,545 |
| Payable on Purchase of Fixed Assets | 1,085,296 | - |
| Statutory Remittances | 24,640,914 | 77,086,026 |
| Total | 474,917,665 | 613,169,461 |

There is no amount due and outstanding to be credited to the Investor Education & Protection Fund

9. SHORT TERM PROVISIONS

| | | |
|-----------------------------------|--------------------|--------------------|
| Provisions for Employees Benefits | 52,256,741 | 56,185,756 |
| Others: | | |
| Proposed dividend | 43,629,114 | 36,294,310 |
| Tax on proposed dividend | 7,078,824 | 5,887,845 |
| Taxation (net of advance tax) | 105,915,682 | 226,663,027 |
| Total | 208,880,361 | 325,030,938 |

10. FIXED ASSETS

Tangible Assets

| Description of Assets | GROSS BLOCK | | | | Up to 31.03.2011 | Transfer on demerger | DEPRECIATION | | | NET CARRYING VALUE | |
|--------------------------------|----------------------|----------------------|---------------------------|----------------------------|----------------------|----------------------|--------------------|--------------------------|----------------------|-----------------------------|-----------------------------|
| | As at 01.04.2011 | Transfer on demerger | Additions during the year | Deductions during the year | | | For the Year | Adjustment on Deductions | Total Depreciation | 31 st March 2012 | 31 st March 2011 |
| Land | 538,611,874 | | 87,121,677 | 1,114,653 | 624,618,898 | | | | | 624,618,898 | 538,611,874 |
| Buildings (c) | 604,489,931 | | 180,413,761 | 1,123,173 | 783,780,519 | | 11,402,953 | 278,077 | 84,136,702 | 699,643,817 | 531,478,105 |
| Ships | 657,506,927 | | 216,728,823 | 30,936,646 | 843,299,104 | | 37,548,114 | 28,244,157 | 274,571,491 | 568,727,613 | 392,239,393 |
| Motor Trucks | 1,763,388,492 | | 244,055,483 | 113,560,992 | 1,893,882,983 | | 218,761,133 | 107,625,905 | 1,018,499,897 | 875,383,086 | 856,023,823 |
| Vehicles | 110,575,143 | | 36,379,259 | 20,096,904 | 126,857,498 | | 10,768,960 | 10,233,464 | 30,490,708 | 96,366,790 | 80,619,931 |
| Plant & Equipments | 649,484,325 | | 42,973,393 | 1,088,127 | 691,369,591 | | 37,391,205 | 1,088,129 | 223,903,561 | 467,466,030 | 461,883,840 |
| Computers | 142,247,480 | | 20,805,915 | 21,796,653 | 141,256,742 | | 22,060,487 | 21,285,072 | 65,964,344 | 75,292,398 | 77,05,8551 |
| Containers | 133,949,016 | | 1,742,813 | 75,989 | 135,615,840 | | 6,436,050 | 12,638 | 33,954,857 | 101,660,983 | 106,417,571 |
| Furniture & Fixtures | 133,397,962 | | 26,009,890 | | 159,407,852 | | 8,831,074 | | 73,367,890 | 86,039,962 | 68,861,146 |
| Office Equipments | 78,841,371 | | 4,564,631 | 109,250 | 83,296,752 | | 3,713,205 | 41,500 | 49,758,482 | 33,538,270 | 32,754,594 |
| Weighing Scales & Chain Pulley | 4,858,426 | | 45,071 | | 4,903,497 | | 204,497 | | 2,368,556 | 2,534,941 | 2,694,367 |
| Sub-Total | 4,817,350,947 | | 860,840,716 | 189,902,387 | 5,488,289,276 | | 357,117,678 | 168,808,942 | 1,857,016,488 | 3,631,272,788 | 3,14,86,43,195 |

Intangible Assets

| | | | | | | | | | | | |
|-------------------|-------------|--|------------|---|-------------|--|------------|--|------------|------------|-------------|
| Computer Software | 113,366,904 | | 31,058,620 | - | 144,425,524 | | 21,579,040 | | 49,289,549 | 95,135,975 | 8,56,56,395 |
|-------------------|-------------|--|------------|---|-------------|--|------------|--|------------|------------|-------------|

Capital Work-in-Progress

| | | | | | | | | | | | |
|--------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
| Capital Work-in-Progress | 66,782,064 | | 128,015,914 | 120,807,383 | 73,990,595 | | | | | 73,990,595 | 66,782,064 |
| Total | 4,997,499,915 | | 1,019,915,250 | 310,709,770 | 5,706,705,395 | | 378,696,718 | 168,808,942 | 1,906,306,037 | 3,800,399,358 | 3,301,081,654 |
| PREVIOUS YEAR | 4,567,250,543 | 216,069,756 | 822,094,093 | 175,774,965 | 4,997,499,915 | 5,627,211 | 320,632,515 | 92,931,956 | 1,696,418,261 | 3,301,081,654 | 3,092,905,630 |

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

| | 31 st March 2012 | 31 st March 2011 |
|---|-----------------------------|-----------------------------|
| Depreciation for the year | 378,696,718 | 320,632,515 |
| Less: transfer from revaluation reserve on account of Depreciation on revalued amount | 37,976 | 37,976 |
| Net depreciation charged to Statement of Profit and Loss | 378,658,742 | 320,594,539 |

(c) Building include those on leasehold land

11. NON-CURRENT INVESTMENTS

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| | | Rupees | | Rupees |
| Long Term Investments (At Cost) | | | | |
| Trade Investments: | | | | |
| Fully Paid Equity Shares of Joint Stock Companies | | | | |
| Unquoted:- | | | | |
| Joint Ventures | | | | |
| Ann Sofie Scan ApS, Denmark (see note below) (Equivalent to DKK 3,824,750) | | 28,693,926 | | 28,693,926 |
| Transystem Logistics International Pvt Ltd of Rs 10 each | 3,920,000 | 39,200,000 | 3,920,000 | 39,200,000 |
| Subsidiaries | | | | |
| TCI Holdings Netherlands B.V., Netherlands of Euro 1 each (Sold during the year) | - | - | 18,000 | 5,451,688 |
| TCI Global (Shanghai) Co. Ltd., China (equivalent to Yuan 5,032,958) | | 34,730,436 | | 34,730,436 |
| Transport Co of India (Mauritius) Ltd., Mauritius Ltd. of Mauritius Rupees 10 each | 36,000 | 547,120 | 36,000 | 547,120 |
| TCI Properties (Pune) Ltd. of Rs. 10 each | 50,000 | 500,000 | 50,000 | 500,000 |
| TCI Distribution Centres Ltd of Rs. 10 Each | 143,700 | 1,437,000 | 143,700 | 1,437,000 |
| Infinite Logistics Solutions Pvt Ltd of Rs. 10 each | 1,020,000 | 10,200,000 | 1,020,000 | 10,200,000 |
| TCI Express Pte. Ltd., Singapore of SG\$ 1 each | 38,002 | 1,304,358 | 38,002 | 1,304,358 |
| TCI Global Holdings (Mauritius) Ltd. of US \$ 10 each (Including 125850 shares allotted during the year) | 326,190 | 151,347,905 | 200,340 | 91,958,155 |
| Associates | | | | |
| XPS Cargo Services Ltd. of Rs 10 each | 300,000 | 3,000,000 | 300,000 | 3,000,000 |
| TCI Developers Ltd. of Rs. 10 each | | | 100,000 | 1,000,000 |
| Fully Paid Preference Shares of a Subsidiary | | | | |
| TCI Distribution Centres Ltd -11% Redeemable non-cumulative of Rs 100 each | 622,000 | 62,200,000 | 622,000 | 62,200,000 |
| Sub-Total | | 333,160,745 | | 280,222,683 |
| Non-Trade Investment | | | | |
| Quoted:- | | | | |
| Fully Paid Equity Shares: | | | | |
| Associates | | | | |
| TCI Developers Ltd. of Rs. 10 each | 1,000,000 | 1,000,000 | | |
| Others | | | | |
| Infosys Technologies Ltd. of Rs 5 each | 1,200 | 1,852,020 | 1,200 | 1,852,020 |
| Edelweiss Capital Ltd of Rs 1 each | 9,820 | 1,243,342 | 9,820 | 1,243,342 |
| Reliance Industries Ltd of Rs 10 each | 3,624 | 2,752,134 | 3,624 | 2,752,134 |
| Mutual Funds: | | | | |
| UTI Balanced Funds (Sold during the year) | - | - | 3,105 | 67,655 |
| JM Basic Fund | 149,753 | 5,000,000 | 149,753 | 5,000,000 |
| Debentures and Bonds | | | | |
| National Highway Authority of India - 1236 Bonds of Rs 1,000 each | 1236 | 1,236,000 | - | - |
| Sub-Total | | 13,083,496 | | 10,915,151 |
| Provision For Diminution in Value | | | | |
| (i) Ann Sofie Scan ApS has discontinued its operations during the year and is under liquidation. A provision for estimated loss of Rs. 100 lacs on such liquidation has been made during the year and has been charged as Exceptional Item in the Statement of Profit & Loss. | | (10,000,000) | | - |

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|---------------------|-----------------------------|--------------------|
| | Nos. | Rupees | Nos. | Rupees |
| (ii) The Company has made investments in share capital and loans & advances to its overseas subsidiaries aggregating to Rs 19,52,08,478. The net worth of these overseas subsidiaries has substantially eroded because of losses suffered from year to year. A provision for possible losses in this regard has been made during the year and charged as Exceptional Item in the Statement of Profit & Loss which is considered adequate by the Board at this stage. | | - (30,000,000) | - | - |
| Sub-Total | | (40,000,000) | | - |
| Total | | 306,244,241 | | 291,137,834 |
| Market Value of Quoted Investments | | 21,346,721 | | 10,370,376 |

12. LONG TERM LOANS & ADVANCES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Unsecured | | |
| Capital Advances | 107,993,912 | 64,216,568 |
| Loan And Advance to Subsidiaries | 8,382,881 | 16,802,359 |
| Loan And Advance to JV/Associates | - | 9,079,560 |
| Advance & Deposits with Others | 9,669,711 | - |
| | 126,046,504 | 90,098,487 |
| Considered good | 116,376,793 | 90,098,487 |
| Considered Doubtful | 9,669,711 | - |
| Less: Provision Made For Doubtful Advances & Deposits | (9,669,711) | - |
| Total | 116,376,793 | 90,098,487 |

13. OTHER NON-CURRENT ASSETS

| | | |
|---|-----------|-----------|
| Deferred Employee Stock Option Compensation | 5,820,415 | 5,373,658 |
|---|-----------|-----------|

14. INVENTORIES (As taken, valued and certified by the management)

| | | |
|---|------------|------------|
| At lower of cost and net realisable value | 19,636,836 | 14,068,324 |
| Ship fuels & consumables | | |

15. TRADE RECEIVABLE

| | | |
|---|----------------------|----------------------|
| Unsecured | | |
| Outstanding for More than Six Month from the Due Date | | |
| Considered Good | 115,988,728 | 88,473,926 |
| Considered Doubtful | 5,000,000 | 2,000,000 |
| Less: Provision for Doubtful Debt | (5,000,000) | (2,000,000) |
| | 115,988,728 | 88,473,926 |
| Others | 2,957,572,659 | 2,906,131,799 |
| Total | 3,073,561,387 | 2,994,605,725 |

16. CASH & BANK BALANCES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Cash on Hand | 3,669,580 | 2,407,638 |
| Balances with Banks | | |
| In Current Accounts | 86,728,870 | 58,367,527 |
| In EEFC Accounts | 285,234 | 404,943 |
| In Deposit Accounts | 32,224,569 | 31,282,152 |
| Unpaid Dividend Accounts (Earmarked) | 6,712,878 | 5,898,529 |
| Total | 129,621,131 | 98,360,789 |

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

17. OTHER SHORT TERM LOANS & ADVANCES

| | | |
|------------------------------------|--------------------|--------------------|
| Unsecured Considered Good | | |
| Advances & Deposits with Landlords | 111,937,276 | 93,690,748 |
| Security Deposits with Customers | 105,178,319 | 104,411,360 |
| Loans and Advances to Employees | 10,119,288 | 9,637,709 |
| Prepaid Expenses | 24,016,067 | 12,746,169 |
| CENVAT Credit Receivable | 2,503,073 | 1,344,063 |
| Tax Deducted at Source | 294,640,242 | 391,997,719 |
| Accrued Income | 3,091,561 | 3,359,939 |
| Operational Advances | 91,328,885 | 83,613,198 |
| Total | 642,814,711 | 700,800,905 |

18. OTHER CURRENT ASSETS

| | | |
|---|-----------|-----------|
| Deferred employee stock option compensation | 7,962,666 | 4,080,075 |
|---|-----------|-----------|

In the opinion of the Board, assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated

19. REVENUE FROM OPERATIONS

| | | |
|--|-----------------------|-----------------------|
| Freight, Demurrage and Miscellaneous Charges | 17,308,680,661 | 16,819,570,185 |
| Sales | 72,877,906 | 63,804,850 |
| Logistics and Other Services | 885,574,514 | 680,992,672 |
| Clearing and Forwarding Services | 12,570,488 | 13,463,653 |
| Total | 18,279,703,569 | 17,577,831,360 |

20. OTHER INCOME

| | | |
|--|-------------------|-------------------|
| Rent | 4,542,425 | 2,482,267 |
| Dividends | 4,200,480 | 4,193,339 |
| Miscellaneous Income | 1,294,440 | 2,025,903 |
| Profit on Sale of Fixed Assets (Net) | | |
| On Ships | 19,807,511 | - |
| On Other Assets | 656,469 | 3,036,707 |
| Unspent Liabilities/Excess Provisions Written Back | 5,311,900 | 136,265 |
| Bad Debts and Irrecoverable Balances Written off Earlier, Realised | 3,498,852 | 8,851,947 |
| Interest | 3,984,488 | 2,819,851 |
| Total | 43,296,565 | 23,546,279 |

21. OPERATING EXPENSES

| Particulars | 31 st March 2012 | 31 st March 2011 |
|--|-----------------------------|-----------------------------|
| | Rupees | Rupees |
| Freight | 11,906,287,847 | 11,762,861,809 |
| Vehicles' Trip Expenses | 1,320,482,493 | 1,276,767,795 |
| Tyres & Tubes etc. | 77,515,353 | 74,017,061 |
| Warehouse Rent | 148,441,924 | 123,225,214 |
| Warehouse Expenses | 389,660,539 | 321,904,345 |
| Other Transportation Expenses | 188,814,794 | 247,808,807 |
| Claims for Loss & Damages (Net) | 14,752,003 | 13,844,980 |
| Commission | 1,359,502 | 22,201,296 |
| Vehicles' Taxes | 38,688,216 | 36,630,262 |
| Vehicles' and Ship Insurance | 28,088,436 | 16,603,637 |
| Power, Fuel and Water Charges | 243,818,934 | 150,141,991 |
| Stores & Spare Parts Consumed | 50,803,514 | 32,186,560 |
| Port and Survey Expenses | 38,560,675 | 32,287,568 |
| Stevedoring and Cargo Expenses | 175,859,903 | 144,864,838 |
| Wages, Bonus and Other Expenses - Floating Staff | 103,713,957 | 96,562,999 |
| Contribution to Provident & Other Funds-Floating Staff | 455,750 | 423,241 |
| Clearing and Forwarding Expenses | 10,961,558 | 17,276,387 |
| Total | 14,738,265,398 | 14,369,608,790 |

22. EMPLOYEE BENEFITS EXPENSES

| | | |
|--|--------------------|--------------------|
| Salaries, Wages & Bonus Others | 783,091,086 | 701,094,975 |
| Contribution to Provident & Other funds | 73,867,436 | 64,813,109 |
| Contribution to Employees' State Insurance | 20,045,413 | 16,812,965 |
| Staff Welfare & Development Expenses | 86,249,518 | 62,710,356 |
| Employees Stock Option Scheme | 6,973,760 | 6,048,569 |
| Total | 970,227,213 | 851,479,974 |

23. OTHER EXPENSES

(A) ADMINISTRATIVE EXPENSES

| | | |
|--------------------------------------|-------------|-------------|
| Rent | 187,221,128 | 152,319,539 |
| Rates and Taxes | 7,805,754 | 15,018,371 |
| Insurance | 6,953,931 | 6,397,669 |
| Telephone Expenses | 43,652,657 | 42,316,124 |
| Printing and Stationery | 31,346,876 | 29,071,698 |
| Traveling Expenses | 131,989,984 | 116,081,627 |
| Legal Expenses | 7,763,999 | 13,991,076 |
| Postage and Telegram | 16,431,850 | 7,303,813 |
| Electricity Expenses | 31,636,847 | 27,692,472 |
| Bank Charges | 13,208,241 | 14,903,850 |
| Advertisement Expenses | 10,178,087 | 12,389,902 |
| Office Maintenance & Security exp. | 102,995,812 | 82,791,419 |
| E mail/I. net/Telex Expenses | 28,279,268 | 28,569,281 |
| Consultancy & Internal Audit fee (i) | 15,049,551 | 13,390,857 |
| Conference & Seminar exp. | 11,144,538 | 14,309,664 |

23. OTHER EXPENSES

(A) ADMINISTRATIVE EXPENSES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Miscellaneous Expenses | 45,722,761 | 38,035,725 |
| Commission & Fee's to Directors | 2,800,000 | 2,085,000 |
| Remuneration to Auditors | | |
| Audit Fees | 794,296 | 756,936 |
| Tax Audit Fees | 494,921 | 481,681 |
| Other Services | 34,520 | 4,520 |
| Lease Rent Payments | 21,050 | 260,920 |
| Bad Debts and Irrecoverable Balances Written Off (ii) | 38,927,174 | 18,883,936 |
| Agricultural Expenses (Net of income) | 860,737 | 246,045 |
| Charity & Donations | 29,074,856 | 31,185,332 |
| Loss on Sale of Investment in Subsidiary | 4,216,816 | - |
| Exchange Difference | 1,417,331 | 219,753 |
| Sub-Total | 770,022,985 | 668,707,210 |

(i) Includes Rs 13,50,000 paid to two directors for services of a professional nature (Previous year Rs 22,50,000)

(ii) Includes provision of Rs 126,69,710 (Previous year - Rs. 2,000,000)

(B) REPAIRS & MAINTENANCE EXPENSES

| | | |
|----------------------|----------------------|----------------------|
| Motor Trucks | 179,713,695 | 154,044,916 |
| Other Vehicles | 30,771,710 | 30,349,981 |
| Ships | 20,881,515 | 13,839,678 |
| Dry Docking Expenses | 56,893,906 | 85,092,009 |
| Plant & Machinery | 27,591,193 | 18,738,113 |
| Computers | 22,838,757 | 17,875,991 |
| Buildings | 17,107,108 | 13,513,319 |
| Sub-total | 355,797,884 | 333,454,007 |
| Total | 1,125,820,869 | 1,002,161,217 |

24. FINANCE COST

| | | |
|-------------------|-------------|-------------|
| Interest Expenses | 332,838,449 | 257,048,801 |
|-------------------|-------------|-------------|

25. RELATED PARTY DISCLOSURES

I. 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. Priyanka Agarwal (Wife of Mr. Vineet Agarwal) | |
| iii. Associates: | |
| TCI Global Logistics Ltd | TCI Exim Pvt. Ltd. |
| Bhoruka Finance Corporation of India Ltd | XPS Cargo Services Ltd |
| TCI Industries Ltd | TCI India Ltd |
| Bhoruka International Pvt. Ltd | TCI Warehousing (MH) – Partnership firm |
| TCI Properties (Guj) – Partnership firm | TCI Properties (South) – Partnership firm |
| TCI Properties (Delhi) – Partnership firm | TCI Properties (NCR) – Partnership firm |
| TCI Developers Ltd. | TCI Infrastructure Ltd. |
| TCI Properties (West) Ltd. | |
| iv. Subsidiaries/ Step Down Subsidiaries: | |
| PT TCI Global, Indonesia | TCI Holding SA & E Pte. Ltd.Singapore |
| TCI Global (Thailand) Co. Ltd., Thailand | TCI Global (HKG) Ltd., Hong Kong |
| TCI Global Pte Ltd., Singapore | TCI Global Logistik GmbH, Germany |
| TCI Global (Shanghai) Co. Ltd., China | Transport Co of India (Mauritius) Ltd., Mauritius |
| TCI Holdings Asia Pacific Pte. Ltd., Singapore | TCI Express Pte. Ltd., Singapore |
| TCI Global Netherlands B.V., Netherlands | TCI Global (Malaysia) Sdn Bhd, Malaysia |
| TCI Global Holdings (Mauritius) Ltd., Mauritius | TCI Global Brazil Logistica Ltda, Brazil |
| TCI Distribution Centres Ltd. | TCI Holdings Netherlands B.V., Netherlands |
| TCI Properties (Pune) Ltd. | Infinite Logistics Solutions Pvt. Ltd. |
| TCI Scan Denmark ApS (Till 15-08-2011) | |
| v. Joint Ventures: | |
| Ann-Sofie Scan ApS | Transsystem 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: (Rs. In Million)

| | | | |
|------------------------------|-------|--|------|
| Assets as on 31.12.2011 | 24.39 | Income for the year ended 31.12.2011 | 0 |
| Liabilities as on 31.12.2011 | 0.90 | Expenses for the year ended 31.12.2011 | 3.54 |

Transsystem Logistics International Private Ltd.

Aggregate amounts related to 49% interest of TCI in Transsystem: (Rs. In Million)

| | | | |
|------------------------------|--------|--|---------|
| Assets as on 31.03.2012 | 569.19 | Income for the year ended 31.03.2012 | 1298.91 |
| Liabilities as on 31.03.2012 | 478.49 | Expenses for the year ended 31.03.2012 | 1168.67 |

II. Transactions with Related Parties:

| Nature of Transaction | Nature of Relation | Amount(Rupees) 31 st March 2012 | Amount(Rupees) 31 st March 2011 |
|--------------------------------------|---|---|---|
| Transactions during the year: | | | |
| Income: | | | |
| Freight Income | Associates | 30,839 | 546,403 |
| | Joint Ventures | 425,432,849 | 329,946,762 |
| | Subsidiaries/ Step-down subsidiaries | 1,201,408 | 12,978,295 |
| Logistics Services | Joint Ventures | 40,383,880 | 32,620,680 |
| Interest Received | Joint Venture | 259,521 | 937,872 |
| | Associates | 161,315 | 0 |
| Expenditure: | | | |
| Freight Expenses | | | |
| | Joint Venture | 18,260,513 | 40,380,076 |

| Nature of Transaction | Nature of Relation | Amount in Rupees | Amount in Rupees |
|--|--|-----------------------------|-----------------------------|
| Transactions during the year: | | 31 st March 2012 | 31 st March 2011 |
| | Subsidiaries/ Step-down subsidiaries | 38,716,273 | 49,229,515 |
| Fuel Purchases | Associates | 38,921,852 | 52,894,137 |
| Clearing & Forwarding Services | Associates | | 483,114 |
| Vehicle Maintenance | Joint Ventures | 5,097,275 | 2,612,887 |
| Rent Paid | Associates | 37,973,267 | 32,931,876 |
| | Key Management Personnel | 784,600 | 768,600 |
| | Relatives of Key Management Personnel | 600,000 | 600,000 |
| Interest Paid | Associates | 150,607 | 3,465,335 |
| Remuneration and Commission | Key Management Personnel | 83,292,327 | 76,566,834 |
| Reimbursement of Expenses | Joint Ventures | - | - |
| Finance & Investment: | | | |
| Investments Made | Subsidiaries | 60,993,400 | 89,337,190 |
| Loans Given | Subsidiaries/ Step-down subsidiaries | 10,559,934 | 12,344,548 |
| | Associates | 8,000,000 | |
| Refund of Loans Given | Joint Ventures | 9,079,560 | - |
| | Associates | 8,000,000 | - |
| | Subsidiaries/ Step-down subsidiaries | 19,059,924 | 51,032,489 |
| Loans Taken | Associates | 5,500,000 | 54,068,796 |
| Refund of Loans Taken | Associates | 5,500,000 | 54,068,796 |
| Advances/ Deposits Given | Associates | 3,955,452 | 1,747,332 |
| Advances/ Deposits Taken | Key Management Personnel | 2,000,000 | 2,218,189 |
| Refund of Advances/ Deposits Taken | Key Management Personnel | 101,966 | 2,271,931 |
| Investments Sale Subsidiary and Step-down Subsidiary | | 5451688 | --- |
| III. Balances as at the year end | | | |
| Assets: | | 2011-12 | 2010-11 |
| Investments Made | Associates | 67,637,000 | 4,000,000 |
| | Joint Ventures | 67,893,926 | 67,893,926 |
| | Subsidiaries | 198,629,819 | 208,328,757 |
| Loans & Advances Given | Subsidiaries/ Step-down Subsidiaries | 8,382,882 | 16,802,359 |
| | Joint Ventures | | 90,79,560 |
| Trade Receivables | Joint Ventures | 30,911,019 | 40,475,676 |
| | Subsidiaries/ Step-down subsidiaries | 1,766,465 | 4,342,084 |
| | Associates | 86221 | - |
| Advances/ Deposits Given | Associates | 22,202,980 | 16,497,332 |
| | Joint Ventures | 1,216,689 | 1,216,689 |
| | Key Management Personnel | 640,500 | 640,500 |
| | Relatives of Key Management Personnel | 240,000 | 240,000 |
| Liabilities: | | | |
| Trade Payables | Associates | | 2,330,592 |
| | Joint Ventures | 2,882,057 | 2,882,057 |
| | Subsidiaries/ Step-down subsidiaries | 3,537,702 | 6,809,263 |
| Advances/ Deposits Taken | Key Management Personnel | 642,880 | 544,846 |

26. SEGMENT INFORMATION

| Particulars | Divisions | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Revenue | | | |
| Segment Revenue | Freight Division | 7857.79 | 8117.05 |
| | XPS Division | 4953.26 | 4595.30 |
| | Supply Chain Solutions Division | 4526.38 | 3933.87 |
| | Seaways Division | 930.79 | 736.39 |
| | Energy Division | 72.88 | 63.81 |
| | Global Division | 48.86 | 207.29 |
| | | 18389.96 | 17653.71 |
| | Less: Inter Segment Revenue | (78.40) | (66.82) |
| Net Income from Operations | | 18311.56 | 17586.89 |
| Segment Results | Freight Division | 247.40 | 324.89 |
| | XPS Division | 381.80 | 348.92 |
| | Supply Chain Solutions Division | 363.50 | 301.82 |
| | Seaways Division | 117.10 | 61.79 |
| | Energy Division | 32.60 | 24.15 |
| | Global Division | (34.60) | (18.53) |
| Unallocated Corporate Income net of Unallocated Corporate Expenses | | (37.80) | 11.67 |
| Interest Expenses (Net of Income) | | (332.80) | (254.23) |
| Profit Before Tax | | 737.20 | 800.48 |
| Other Information | | | |
| Segment Assets | Freight Division | 1910.82 | 1750.37 |
| | XPS Division | 974.54 | 1002.02 |
| | Supply Chain Solutions Division | 1826.26 | 1644.14 |
| | Seaways Division | 861.25 | 706.38 |
| | Energy Division | 374.42 | 399.31 |
| | Global Division | 26.08 | 72.44 |
| | Unallocated Corporate Assets | 1984.67 | 1780.51 |
| Total Assets | | 7958.04 | 7355.17 |
| Segment Liabilities | Freight Division | 131.33 | 123.64 |
| | XPS Division | 149.93 | 144.16 |
| | Supply Chain Solutions Division | 406.33 | 352.61 |
| | Seaways Division | 18.19 | 19.19 |
| | Energy Division | 0.00 | 0.83 |
| | Global Division | 1.00 | 19.35 |
| | Unallocated Corporate Liabilities | 253.78 | 366.35 |
| Total Liabilities | | 960.56 | 1026.13 |
| Capital Expenditure | Freight Division | 101.42 | 53.27 |
| | XPS Division | 54.66 | 58.36 |
| | Supply Chain Solutions Division | 269.76 | 486.75 |
| | Seaways Division | 221.18 | 6.16 |
| | Energy Division | ---- | ---- |
| | Global Division | 0.21 | 1.67 |
| | Unallocated Capital Expenditure | 251.87 | 150.67 |
| Total Capital Expenditure | | 899.10 | 756.88 |
| Depreciation | Freight Division | 73.42 | 62.76 |
| | XPS Division | 53.25 | 56.34 |

| Particulars | Divisions | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---------------------------|---------------------------------|---------------------------------------|---------------------------------------|
| | Supply Chain Solutions Division | 179.09 | 135.34 |
| | Seaways Division | 44.71 | 38.06 |
| | Energy Division | 27.46 | 27.47 |
| | Global Division | 0.71 | 0.62 |
| | Unallocated Depreciation | 0.00 | --- |
| Total Depreciation | | 378.65 | 320.59 |

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

27. DISCLOSURES PURSUANT TO ACCOUNTING STANDARD-15 : EMPLOYEE BENEFITS

| Particulars | 31 st March 2012 Rupees | |
|--|---------------------------------------|------------------------------|
| | Gratuity Funded | Leave Encashment Unfunded |
| A. Components of Employer Expense | | |
| (i) Current Service Cost | 13,512,457 | 4,931,456 |
| (ii) Interest Cost | 9,269,835 | 2,277,135 |
| (iii) Expected Return on Plan Assets | (8,679,876) | - |
| (iv) Curtailment Cost/(Credit) | - | - |
| (v) Settlement Cost/(Credit) | - | - |
| (vi) Past Service Cost | | - |
| (vii) Actuarial Losses/(Gain) | 11,135,369 | 13,538,126 |
| Total Expenses Recognised in the Statement of Profit & Loss Account | 25,237,785 | 20,746,717 |
| The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and other Funds" and Leave Encashment in Salaries/Wages and Bonus under note 22 | | |
| B. Actuarial (Gain)/Loss on Planned Assets: | | |
| (i) Actual return on plan assets | 8,679,876 | |
| (ii) Expected return on plan assets | 8,679,876 | |
| Actuarial gain/ (Loss) | - | |
| C. Net Assets/(Liability) Recognised in Balance Sheet" | | |
| (i) Present Value of Defined Benefit Obligation | 132,784,203 | 22,388,160 |
| (ii) Fair Value of Plan Assets | 111,852,287 | - |
| (iii) Status [Surplus(Deficit)] | (20,931,916) | (22,388,160) |
| (iv) Unrecognised Past Service Cost | | |
| (v) Net Assets/(Liability) Recognised in Balance Sheet | (20,931,916) | (22,388,160) |
| D. Change in Defined Benefit Obligation (DBO) | | |
| (i) Present Value of DBO at the Beginning of Period | 109,056,882 | 26,789,823 |
| (ii) Current Service Cost | 13,512,457 | 4,931,456 |
| (iii) Interest Cost | 9,269,835 | 2,277,135 |
| (iv) Curtailment Cost/(Credit) | - | - |
| (v) Settlement Cost/(Credit) | - | - |
| (vi) Plan Amendments | - | - |
| (vii) Acquisitions | - | - |
| (viii) Actuarial Losses/(Gain) | 11,135,369 | 13,538,126 |
| (ix) Benefits Paid | (10,190,340) | (25,148,380) |
| (x) Present Value of DBO at the End of Period | 132,784,203 | 22,388,160 |
| E. Change in Fair Value of Asset | | |
| (i) Plan Assets at the Beginning of Period | 101,614,206 | - |
| (ii) Acquisition Adjustment | - | - |
| (iii) Expected Return on Plan Assets | 8,679,876 | - |

| | 31 st March 2012 Rupees | |
|---|---------------------------------------|------------------------------|
| | Gratuity Funded | Leave Encashment Unfunded |
| (iv) Actuarial Losses/(Gain) | - | - |
| (v) Actual Company Contributions | 11,748,545 | - |
| (vi) Benefits Paid | (10,190,340) | - |
| (vii) Plan Assets at the End of Period | 111,852,287 | - |
| (F) Actuarial Assumptions | | |
| (i) Discount Rate (%) | 8.50 | 8.50 |
| (ii) Expected Return on Plan Assets (%) | 8.65 | |
| *The estimated of future salary increases, considered in actuarial valuations take account of inflations, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. | | |
| (G) Major Category of Plan Assets as a % of the Total Plan Assets | | |
| (i) Government Securities/Special Deposits with RBI | 26 | |
| (ii) Mutual Funds | 74 | |

28. CONTINGENT LIABILITIES AND COMMITMENTS

| | 31 st March 2012 Rupees Million | 31 st March 2011 Rupees Million |
|--|---|---|
| (a) Contingent liabilities not provided in respect of following | | |
| Trade Tax/ Octroi/ Duty/ ESI and other demands under dispute | 42.24 | 37.80 |
| Guarantees and Counter Guarantees Outstanding | 221.85 | 302.20 |
| Income Tax demands under dispute | 447.01 | 336.97 |
| (b) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for net of advance on tangible assets | 99.27 | 29.73 |

29. EARNING PER SHARE

| | Unit | 31 st March 2012 | 31 st March 2011 |
|--|--------|-----------------------------|-----------------------------|
| Net Profit after tax available for equity share holders- for Basic and Diluted EPS | Rupees | 518,428,078 | 513,234,565 |
| Weighted average no. of Equity Shares for Basic EPS | Nos. | 72,682,644 | 72,571,329 |
| Add: Adjustments for stock options | Nos. | 288,971 | 55,366 |
| Weighted average no. of Equity Shares for Diluted EPS | Nos. | 72,971,616 | 72,626,695 |
| Nominal Value of Equity Shares | Rupees | 2.00 | 2.00 |
| Basic Earnings per Equity Share | Rupees | 7.13 | 7.07 |
| Diluted Earnings per Equity Share | Rupees | 7.10 | 7.07 |

30. IN RESPECT OF ASSETS TAKEN UNDER NON-CANCELLABLE OPERATING LEASE, THE FUTURE MINIMUM LEASE PAYMENTS AS ON 31ST MARCH 2012 ARE:

| | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Not later than one year | 21,050 | 21,050 |
| Later than one year and not later than five years | 84,200 | 84,200 |
| Later than five years | 168,400 | 189,450 |
| Total | 273,650 | 294,700 |

31. PREVIOUS YEAR FIGURE'S HAVE BEEN REGROUPED /REARRANGED WHEREVER CONSIDERED NECESSARY

32. ADDITIONAL INFORMATION

Expenditure in Foreign Currency

| | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| (a) Capital Goods | 203,063,461 | - |
| (b) Investments in Subsidiaries & Joint Venture | 60,993,400 | 89,337,100 |
| (c) Main Engine Break-down Repair | - | 40,181,407 |
| (d) Advances to Joint Venture/ Subsidiaries | 8,382,882 | 11,900,617 |
| (e) Shipping Freight & Port Disbursements | 5,701,322 | 69,122,997 |
| (f) Traveling Expenses | 12,931,967 | 10,584,807 |
| (g) Conference & Seminar | 936,672 | 1,535,346 |
| (h) Consultancy Charges/ Professional Fees | 34,590 | 258,068 |
| (i) Subscription | 223,941 | 19,163 |
| (j) Interest | 7,228,898 | 27,878,827 |
| (k) Staff Training Programmes | 4,194,697 | 1,291,303 |
| (l) Insurance | 4,246,407 | 3,446,945 |
| (m) Dry- Dock Expenses | 3,993,635 | 51,945,423 |
| (n) Spare Parts | 49,730,899 | 6,256,800 |
| (o) Other Ship Operating Expenses | 10,651,329 | 6,350,499 |
| (p) Commission | 8,356,166 | 591,705 |
| (q) Exchange Rate Difference (Net) | - | 219,753 |
| (r) Others | 1,417,331 | -- |

Earning in Foreign Currency During The Year

| | | |
|---------------------|-------------|-------------|
| (a) Freight Income | 139,712,304 | 120,763,437 |
| (b) Interest Income | 259,521 | 937,872 |
| (c) Others | 1,088,890 | 885,339 |

C.I.F. Value of Imported & Indigenous Stores and Spare Parts Consumed

| Particulars | % of Total Consumption | 31 st March 2012 Rupees | % of Total Consumption | 31 st March 2011 Rupees |
|----------------|---------------------------|---------------------------------------|---------------------------|---------------------------------------|
| (a) Imported | 21% | 10,651,329 | 19% | 6,256,800 |
| (b) Indigenous | 79% | 40,152,185 | 81% | 25,929,760 |

33. ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

1. Recognition of Income and Expenditure

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

2. Gratuity and Leave Encashment

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

3. Depreciation

Depreciation is provided on straight-line method at rates specified in schedule XIV to the Companies Act, 1956 except for pallets and bins included under plant and machinery, the cost whereof are amortized over a period of five years from the date of purchase. Depreciation on additions/ deductions is calculated pro-rata from / to the month of addition / deduction. Individual assets whose actual cost does not exceed Rs. 5,000, except pallets and bins, are fully depreciated in the year of purchase.

4. Fixed Assets

- (a) Fixed Assets are stated at cost and/or at revaluation
- (b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from capital reserve created on revaluation of fixed assets to Profit and Loss Account

5. Investment

- (a) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.
- (b) Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

6. Inventories

Inventories are valued of lower of cost and net realisable value

7. Foreign Exchange Transactions:

- (a) Initial recognition
All transactions in foreign currency are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
- (b) Measurement of foreign currency monetary items at the balance sheet date
Monetary items in foreign currency at the year end are converted in Indian Currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:
 - (i) Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.
 - (ii) In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance life of the long-term monetary item.
- (c) Treatment of exchange differences
Any income or expense on account of exchange difference either on settlement or translation is recognised in the profit and loss account
- (d) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

8. Taxation

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on assessable income. Provision for current income tax on income from shipping activities is made on the basis of deemed tonnage income of the Company.

The company, except for its Seaways division, provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected

9. Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

S. M. Datta
Chairman

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

Vineet Agarwal
Joint Managing Director
Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

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

| Net aggregate of Profit/ (Loss) of the subsidiary company so far as it concerns the members of TCI Limited which are | | | Interest of the Company in the subsidiary companies at the end of their respective financial years | | | | | |
|--|--|---|--|-----------------------|--|--|--|--|
| Dealt with in the accounts of the Company amounted to (Rupees in million) | | | Not dealt with in the accounts of the Company amounted to (Rupees in million) | | | | | |
| Sr. No. | Name of the Subsidiary Company | Financial Year of the subsidiary company ended on | Shareholding (No. of shares) | Extent of Holding (%) | For Subsidiary's Financial Year ended on 31 st March 2012 | For Previous Financial Years of the subsidiary since it became subsidiary of TCI | For Subsidiary's Financial Year ended on 31 st March 2012 | For Previous Financial Years of the subsidiary since it became subsidiary of TCI |
| 1 | PT. TCI Global | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (1.77) | (2.69) |
| 2 | TCI Global (HKG) Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (7.95) | (3.95) |
| 3 | TCI Global (Thailand) Co. Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (8.42) | (7.35) |
| 4 | TCI Global Pte (Singapore) Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (13.26) | (15.59) |
| 5 | TCI Global Logistik GmbH | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (0.53) | (0.77) |
| 6 | TCI Global Netherlands B. V. | 31 st March 2012 | 36,000 Shares of Mauritius Rupees 10 each | 100% | Nil | Nil | (0.18) | (0.17) |
| 7 | TCI Holdings Asia Pacific Pte. Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (0.50) | (1.55) |
| 8 | TCI Global (Malaysia) Sdn Bhd | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (3.97) | (0.27) |
| 9 | TCI Scan Denmark ApS* | 15 th August 2011 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | - | - |
| 10 | TCI Global Brazil Logistica Ltda | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | 1.63 | (0.29) |
| 11 | TCI Holdings Netherlands B.V. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (1.11) | (0.44) |
| 12 | TCI Express Pte. Ltd. | 31 st March 2012 | 38,002 Shares of SG\$ 1 each | 100% | Nil | Nil | (0.21) | (0.39) |
| 13 | TCI Global Holdings (Mauritius) Ltd. | 31 st March 2012 | 326190 Shares of US\$ 10 each | 100% | Nil | Nil | (2.30) | 6.62 |
| 14 | TCI Global (Shanghai) Co. Ltd. | 31 st March 2012 | Equivalent to Yuan 5,032,958 | 100% | Nil | Nil | (10.46) | (8.76) |
| 15 | Transport Co of India (Mauritius) Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (0.12) | (0.18) |
| 16 | TCI Holdings SA & E PTE LTD | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | 0.16 | - |
| 17 | TCI Properties (Pune) Ltd. | 31 st March 2012 | 50,000 Shares of Rs 10 each | 100% | Nil | Nil | (0.01) | (0.01) |
| 18 | TCI Distribution Centers Ltd. | 31 st March 2012 | 143,700 Shares of Rs 10 each | 73.92% | Nil | Nil | - | - |
| 19 | Infinite Logistics Solutions Pvt. Ltd. | 31 st March 2012 | 1,020,000 Shares of Rs 10 each | 51% | Nil | Nil | (1.70) | (0.12) |

*TCI Scan Denmark ApS has been liquidated during the year

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

Financial Year ended 31st March 2012

(Rupees in million)

| Sl. No. | Name of the Subsidiary/ Step Down Subsidiary | Paid-up Capital | Reserves | Total Assets | Other Liabilities | Investments (a) | Turnover | Profit/ (Loss) before tax | Provision for tax | Profit/ (Loss) after tax | Proposed dividend | Currency | Exchange rate as on 31 st March 2012 |
|---------|--|-----------------|----------|--------------|-------------------|-----------------|----------|---------------------------|-------------------|--------------------------|-------------------|----------|---|
| 1 | PT. TCI Global | 27.51 | (7.40) | 39.26 | 19.49 | NIL | 52.80 | (1.80) | NIL | (1.80) | Nil | Rupiah | 0.0057 |
| 2 | TCI Global Logistik GmbH | 1.73 | (2.89) | 0.295 | 1.88 | NIL | 0.00 | (0.85) | NIL | (0.85) | Nil | Euro | 69.15 |
| 3 | TCI Global (HKG) Ltd. | 16.36 | (29.53) | 2.67 | 15.83 | NIL | 3.29 | (7.94) | NIL | (7.94) | Nil | HK\$ | 6.68 |
| 4 | TCI Global (Thailand) Co. Ltd. | 28.51 | (27.67) | 21.60 | 16.27 | NIL | 36.93 | (8.45) | NIL | (8.45) | Nil | Baht | 1.677 |
| 5 | TCI Global (Singapore) Pte. Ltd. | 78.45 | (53.06) | 100.48 | 50.56 | NIL | 63.65 | (13.26) | NIL | (13.26) | Nil | SG\$ | 41.23 |
| 6 | TCI Global Netherlands B. V. | 1.24 | (0.75) | 0.690 | 0.20 | NIL | 0 | (0.19) | NIL | (0.19) | Nil | Euro | 69.15 |
| 7 | TCI Global (Shanghai) Co. Ltd. | 41.22 | (34.56) | 27.39 | 20.74 | NIL | 1.58 | (8.96) | NIL | (8.96) | Nil | Yuan | 8.19 |
| 8 | Transport Co of India (Mauritius) Ltd. | 0.62 | (0.63) | 0.26 | 0.27 | NIL | 0 | (0.11) | NIL | (0.11) | Nil | MUR | 1.72 |
| 9 | TCI Holdings Asia Pacific Pte. Ltd. | 151.98 | (3.88) | 166.03 | 17.38 | NIL | 0 | (0.63) | NIL | (0.63) | Nil | SG\$ | 41.23 |
| 10 | TCI Global (Malaysia) Sdn Bhd | 4.51 | (4.42) | 1.47 | 1.67 | NIL | 0.07 | (3.98) | NIL | (3.98) | Nil | MYR | 16.9 |
| 11 | TCI Global Brazil Logistica Ltda | 0.28 | 1.66 | 9.46 | 7.53 | NIL | 30.84 | 2.35 | 0.72 | 1.66 | Nil | R\$ | 28.41 |
| 12 | TCI Holdings Netherlands B. V. | 2.97 | (2.24) | 1.724 | 1.00 | NIL | 0 | (0.95) | NIL | (0.95) | Nil | Euro | 69.15 |
| 13 | TCI Express Pte. Ltd. | 1.57 | (1.43) | 0.72 | 0.58 | NIL | 0 | (0.21) | NIL | (0.21) | Nil | SG\$ | 41.23 |
| 14 | TCI Holdings SA& E PTE LTD. | 2.99 | (0.18) | 2.990 | 0.18 | NIL | 0 | (0.18) | NIL | (0.18) | Nil | SG\$ | 41.23 |
| 15 | TCI Global Holdings (Mauritius) Ltd. | 169.13 | (2.30) | 16.97 | 0.89 | NIL | | (0.94) | NIL | (0.94) | Nil | US\$ | 51.85 |
| 16 | TCI Properties (Pune) Ltd. | 0.50 | (0.03) | 0.48 | 0.01 | NIL | Nil | (0.01) | 0.00 | (0.01) | Nil | INR | |
| 17 | TCI Distribution Centers Ltd. | 86.09 | (0.07) | 171.73 | 85.71 | 0.50 | 0.01 | (0.01) | Nil | (0.01) | Nil | INR | |
| 18 | Infinite Logistics Solutions Pvt. Ltd. | 20.00 | (7.72) | 15.50 | 3.22 | Nil | 22.31 | (4.82) | 1.48 | (3.34) | Nil | INR | |

(a) Excluding investment in subsidiaries

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

(c) TCI Scan Denmark ApS has been liquidated during the year

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF TRANSPORT CORPORATION OF INDIA LTD.

We have audited the attached Consolidated Balance Sheet of Transport Corporation of India Ltd. (the Company) and its subsidiaries and its jointly controlled entities, collectively called 'the TCI Group' (refer Note 27) as at March 31st, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 all the subsidiaries and jointly controlled entities have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the reports so furnished.
3. The financial statements of certain subsidiaries which reflect total assets of Rs. 57.00 Lacs, total revenue of Rs. Nil and net loss of Rs. 21.70 Lacs for the year ended 31st March, 2012 have not been audited. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of

these subsidiaries is based solely on such approved unaudited financial statements.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Standards) Rules 2006.
5. 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 paragraphs 2 and 3 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 2012 and
 - (b) In the case of Consolidated Statement of Profit & Loss, of the profit of the TCI Group for the year ended on that date
 - (c) In the case of Consolidated Cash Flow Statement, of the cash flows of the TCI Group for the year ended on that date.

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

Camp: Gurgaon
Date : 30th May, 2012

R S Agarwala
Partner
Membership No. F-5534

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

| | Notes | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|-------|---------------------------------------|---------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 145,430,380 | 145,177,240 |
| Reserves and Surplus | 2 | 3,637,213,230 | 3,107,158,988 |
| | | 3,782,643,610 | 3,252,336,228 |
| Minority Interest | | 28,455,609 | 30,094,562 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 3 | 839,270,604 | 820,378,877 |
| Deferred Tax Liabilities (Net) | 4 | 317,284,958 | 312,311,801 |
| Other Long-Term Liabilities | 5 | 239,689 | - |
| Long-Term Provisions | 6 | - | 493,892 |
| | | 1,156,795,251 | 1,133,184,570 |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | 2,153,286,659 | 1,837,719,770 |
| Trade Payables | 8 | 873,469,866 | 705,100,541 |
| Other Current Liabilities | 9 | 514,394,558 | 630,282,832 |
| Short-Term Provisions | 10 | 227,470,701 | 331,307,737 |
| | | 3,768,621,784 | 3,504,410,880 |
| TOTAL | | 8,736,516,254 | 7,920,026,240 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 11 | | |
| Tangible Assets | | 4,062,874,684 | 3,372,489,397 |
| Intangible Assets | | 96,009,883 | 86,284,682 |
| Capital Work-in-Progress | | 78,216,198 | 66,839,394 |
| Goodwill on Consolidation | | 3,244,669 | 2,391,315 |
| Non-Current Investments | 12 | 16,587,976 | 15,426,480 |
| Long-Term Loans and Advances | 13 | 108,559,321 | 99,470,951 |
| Other Non-Current Assets | 14 | 5,820,415 | 5,373,658 |
| | | 4,371,313,146 | 3,648,275,877 |
| Current Assets | | | |
| Inventories | 15 | 19,636,836 | 14,305,428 |
| Trade Receivables | 16 | 3,364,499,303 | 3,208,407,350 |
| Cash and Bank Balance | 17 | 307,295,368 | 182,539,988 |
| Short-Term Loans and Advances | 18 | 664,937,352 | 861,116,710 |
| Other Current Assets | 19 | 8,834,249 | 5,380,887 |
| | | 4,365,203,108 | 4,271,750,363 |
| TOTAL | | 8,736,516,254 | 7,920,026,240 |
| THE NOTES FORM AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS | | 1-35 | |

In terms of our Report of even date

For and on behalf of the Board

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

S. M. Datta
Chairman

O. Swaminatha Reddy
Director

K. S. Mehta
Director

D. P. Agarwal
Vice Chairman &
Managing Director

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

Vineet Agarwal
Joint Managing Director
Place: Gurgaon
Date: 30th May, 2012

Chander Agarwal
Executive Director

A. K. Bansal
Group CFO &
Company Secretary

Ashish Tiwari
Group Head
Accounts & Taxation

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2012

| | Notes | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|-------|---------------------------------------|---------------------------------------|
| REVENUE | | | |
| Revenue from Operations | 20 | 19,537,484,526 | 18,512,585,707 |
| Other Income | 21 | 56,684,107 | 51,313,281 |
| TOTAL REVENUE | | 19,594,168,633 | 18,563,898,988 |
| EXPENSES | | | |
| Cost of Goods Sold | 22 | 2,576,138 | 25,144,138 |
| Operating Expenses | 23 | 15,683,208,890 | 15,104,170,750 |
| Employee Benefits Expenses | 24 | 1,015,335,943 | 891,890,112 |
| Other Expenses | 25 | 1,271,934,834 | 1,105,622,048 |
| Finance Cost | 26 | 349,999,426 | 265,918,291 |
| Depreciation and Amortization (Net) | 11 | 415,684,898 | 353,119,669 |
| TOTAL EXPENSES | | 18,738,740,129 | 17,745,865,008 |
| Profit Before Tax | | 855,428,504 | 818,033,980 |
| Tax Expenses | | | |
| Current Tax | | 258,934,058 | 254,902,000 |
| Deferred Tax | | 4,973,156 | 15,975,325 |
| Taxes for Earlier Years | | (1,896,570) | 45,930,541 |
| Profit After Tax | | 593,417,860 | 501,226,114 |
| Share of Loss Transferred to Minority Interest | | (1,638,953) | (116,350) |
| Profit for the Year | | 595,056,813 | 501,342,464 |
| Earning Per Share | 31 | | |
| Basic | | 8.19 | 6.91 |
| Diluted | | 8.15 | 6.90 |

**THE NOTES FORM AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS**

1-35

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

S. M. Datta
Chairman

Vineet Agarwal
Joint Managing Director

Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2012

| | 31 st March 2012 Rupees in Lacs | 31 st March 2011 Rupees in Lacs |
|--|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES:- | | |
| Net Profit before tax and exeptional items | 8,554.27 | 8,180.34 |
| Adjustments for : | | |
| Depreciation | 4,156.85 | 3,531.20 |
| Loss (Profit) on sale of Fixed Assets | (210.64) | (34.77) |
| Loss(Profit) on sale/ amortisation of Investments | - | 310.40 |
| Lease Rent Payments | 18.63 | 2.61 |
| Interest Payments | 3,499.99 | 2,659.18 |
| Interest Recieved | (113.51) | (96.40) |
| Dividend Income | (42.09) | (41.64) |
| | 7,309.24 | 6,330.58 |
| Operating profit before Working Capital changes | 15,863.51 | 14,510.92 |
| Adjustments For: | | |
| Trade and Other Recievables / Long term Advances | (1,830.88) | (5,063.33) |
| Inventories | (53.31) | (35.61) |
| Trade and Other Payables | 1,204.06 | 1,177.22 |
| Cash Generation From operations | 15,183.37 | 10,589.19 |
| Interest Paid | (3,499.99) | (2,659.18) |
| (Direct Taxes Paid) / Refund received | (2,712.91) | (2,915.24) |
| NET CASH FROM OPERATING ACTIVITIES | 8,970.47 | 5,014.77 |
| B. CASH FLOW FROM INVESTING ACTIVITIES:- | | |
| Purchase of Fixed Assets | (11,509.49) | (8,764.61) |
| Transfer of Asset on Demerger | - | 4,907.97 |
| Sale of Fixed Assets | 448.03 | 182.78 |
| Purchase of Investments | (12.36) | (15.11) |
| Sale of Investments | 0.75 | (44.62) |
| Loss(Profit) Relating to Demerged Entities | - | 5.53 |
| Foreign Currency Translation Difference | - | (23.17) |
| Loss on Derivative Transactions | - | - |
| Payable against Derivative Transactions | - | - |
| Interest Recieved | 113.51 | 96.40 |
| Dividend Recieved | 42.09 | 41.64 |
| Lease Rent Payments | (18.63) | (2.61) |
| Loans and Advances | 1,178.87 | (150.34) |
| Decrease/ (Increase) in Preliminary Expenses to be written off | 4.29 | 7.43 |
| Increase/ (Decrease) of Capital Reserve on Consolidation | 92.96 | (31.37) |
| Increase/ (Decrease) of Minority Interest/ Goodwill on Consolidation (net) | (8.53) | (173.67) |
| NET CASH FROM INVESTING ACTIVITIES | (9,668.52) | (3,963.75) |
| C. CASH FLOW FROM FINANCING ACTIVITIES:- | | |
| Proceeds from issue of Share Capital | 120.46 | 44.49 |
| Transfer of Reserve on Demerger | - | (5,266.58) |
| Proceeds from Short Term Borrowings | 11,707.16 | (3,117.82) |
| Repayment of Short Term Borrowings | (8,569.02) | 6,511.70 |
| Proceeds from Long Term Borrowings | 5,316.15 | 1,051.21 |
| Repayment of Long Term Borrowings | (5,822.93) | (1,466.77) |
| Payment of Dividend | (693.67) | (692.50) |
| Payment of Dividend Tax | (112.53) | (113.94) |
| NET CASH FROM FINANCING ACTIVITIES | 1,945.60 | (3,050.21) |
| NET INCREASE(DECREASE) IN CASH & CASH EQUIVALENT(A+B+C) | 1,247.55 | (1,999.20) |
| CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR | 1,825.40 | 3,824.60 |
| CASH & CASH EQUIVALENTAT THE END OF THE YEAR | 3,072.95 | 1,825.40 |

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

S. M. Datta
Chairman

Vineet Agarwal
Joint Managing Director

Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SHARE CAPITAL

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Authorised : | 200,000,000 | 200,000,000 |
| 100,000,000 Equity shares of Rs 2 each | 50,000,000 | 50,000,000 |
| 500,000 Preferential shares of Rs 100 each | 250,000,000 | 250,000,000 |
| Issued , Subscribed and Paid up : | | |
| 72,715,190 Equity Shares of Rs.2 each fully paid up | 145,430,380 | 145,177,240 |
| 72,588,620 In previous Year | | |

The Company has only one class of equity shares having a par value of Rs 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Reconciliation of the Number of Shares Outstanding

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|------------------|-----------------------------|------------------|
| | Numbers of Shares | Amount in Rupees | Numbers of Shares | Amount in Rupees |
| Shares at the beginning of the year | 72,588,620 | 145,177,240 | 72,528,245 | 145,056,490 |
| Add: Allotted under Employee stock option scheme | 126,570 | 253,140 | 60,375 | 120,750 |
| Shares at the end of the year | 72,715,190 | 145,430,380 | 72,588,620 | 145,177,240 |

Details of Shareholders Holding More Than 5% Shares:

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | Numbers of shares held | % of holding | Numbers of shares held | % of holding |
| Bhoruka Finance Corporation of India Limited | 15,869,679 | 21.82 | 15,869,679 | 21.86 |
| Bhoruka International (P) Limited | 10,490,505 | 14.43 | 10,490,505 | 14.45 |
| Mr D.P Agarwal | 4,974,995 | 6.84 | 4,974,995 | 6.85 |
| TCI India Limited | 4,595,028 | 6.32 | 4,021,540 | 5.54 |
| FDI Funds (Mauritius)(Non Promoter Group) | 4,021,540 | 5.53 | 4,595,028 | 6.33 |

Shares Reserved For Issue Under Options:

458,200 equity share of Rs 2/- each are reserved under employee stock option scheme as on 31st March 2012 (Previous year 315600) . Of this 185,700 options , 162,500 options and 110,000 options will vest in the year 2012-13, 2013-14 and 2014-15 respectively

2. RESERVES & SURPLUS

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Revaluation Reserve | | |
| As Per Last Balance Sheet | 144,435,349 | 145,536,043 |
| Less: Depreciation on Revalued Amount (i) | 37,976 | 37,976 |
| On sale of Revalued Assets | - | 1,062,718 |
| | 144,397,373 | 144,435,349 |
| Securities Premium Reserve | | |
| As Per Last Balance Sheet | 515,835,627 | 631,031,740 |
| Additions During The Year (ii) | 11,792,407 | 4,403,430 |
| Less: Transferred on demerger of real Estate & Warehousing Division | | 119,599,543 |
| | 527,628,034 | 515,835,627 |
| Share Options Outstanding Account | | |
| As Per Last Balance Sheet | 15,407,760 | 6,486,800 |
| Add : Created against stock option granted during the year (iii) | 11,577,500 | 11,290,000 |

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Less : Transferred to Security premium reserve (iv) | 5,951,648 | 2,284,305 |
| Reversed on Cancellation of Options not exercised (v) | 274,392 | 84,735 |
| | 20,759,220 | 15,407,760 |
| Capital Redemption Reserve | | |
| As Per Last Balance Sheet | 19,400,000 | 19,400,000 |
| Capital Reserve | | |
| As Per Last Balance Sheet | - | 407,058,452 |
| Less: Transferred on demerger of real Estate & Warehousing Division | - | 407,058,452 |
| | - | - |
| Exchange Difference on Consolidation | 10,834,093 | 1,518,154 |
| General Reserve | | |
| As Per Last Balance Sheet | 2,070,000,000 | 1,650,000,000 |
| Add: Transferred from Statement of Profit and Loss | 414,312,000 | 420,000,000 |
| Transferred from reserve under Section 33AC of Income Tax Act (vi) | 47,700,000 | |
| | 2,532,012,000 | 2,070,000,000 |
| Reserve Under Section 33AC of Income Tax Act 1961 | | |
| As Per Last Balance Sheet | 47,700,000 | 47,700,000 |
| Less: Utilised / transferred during the year (vi) | 47,700,000 | - |
| | - | 47,700,000 |
| Tonnage Tax Reserve | | |
| As Per Last Balance Sheet (Utilized) (viii) | 112,500,000 | 102,500,000 |
| Add: Transferred from Statement of Profit and Loss (vii) | 20,300,000 | 10,000,000 |
| | 132,800,000 | 112,500,000 |
| Surplus | | |
| As per Last Balance Sheet | 180,362,098 | 189,663,916 |
| Add: Profit for the year | 595,056,813 | 501,342,464 |
| Less: Interim dividend | 29,153,053 | 29,035,448 |
| Proposed Dividend | 49,509,261 | 40,214,408 |
| Tax on dividend | 12,762,086 | 11,394,426 |
| Transferred to: | | |
| General Reserve | 414,312,000 | 420,000,000 |
| Tonnage Tax Reserve | 20,300,000 | 10,000,000 |
| Closing Balance | 249,382,511 | 180,362,098 |
| Total | 3,637,213,230 | 3,107,158,988 |

- (i) Transferred to Statement of Profit and Loss being depreciation provided on revalued amount
- (ii) On allotment of equity shares under Employees' Stock Option Scheme.
- (iii) In respect of options granted under the Employees' Stock Option Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options (based on market value of share on the date of grant of options minus option price) is accounted as deferred employee compensation, which is amortised on a straight line basis over the vesting period. Consequently salaries, wages and bonus includes Rs. 69,73,760 being amortisation of deferred employee compensation
- (iv) Transferred to Security Premium on allotment of equity shares during the year under Employees' Stock Option Scheme.
- (v) Reversed on cancellation of Options not exercised
- (vi) Amount utilized for acquisition of Ships, transferred to General Reserve.
- (vii) Transferred from Statement of Profit and Loss.
- (viii) Balance utilized for acquisition of Ships

3. LONG TERM BORROWINGS

| Particular | Non-Current | | Current | |
|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 31 st March 2012 | 31 st March 2011 | 31 st March 2012 | 31 st March 2011 |
| | Rupees | Rupees | Rupees | Rupees |
| Secured | | | | |
| Term loans | | | | |
| From Banks | 659,170,444 | 737,333,973 | 374,766,610 | 453,243,959 |
| From Others | 177,407,160 | 78,647,404 | 40,854,584 | 33,651,675 |
| Unsecured | | | | |
| Fixed Deposits | 2,693,000 | 4,397,500 | 1,789,500 | 2,252,000 |
| Total | 839,270,604 | 820,378,877 | 417,410,694 | 489,147,634 |

Other Information pertaining to nature of security

| Particulars of Nature of Security | Secured to the Extent | |
|--|--------------------------------|--------------------------------|
| | 31 st March 2012 | 31 st March 2011 |
| | Rupees | Rupees |
| Term Loans from Banks | | |
| 1025 nos. of General Cargo Containers and Property at D-29-2-26, Allipuram Ward, Vishakhapatnam | 92,333,333 | 129,333,333 |
| Properties situated at (1) Gut no. 623, 624 & 625/1, Village Mahalunge (Ingle), Taluka Khed, Chakan, Distt. Pune and (2) Plot no 18, Block 32, Sy. No. 96/1/A, Auto Nagar, Vanasthalipuram, Ranga Reddy, Hyderabad. | 120,000,000 | 162,500,000 |
| Land including WindMill of 2.50 MW installed thereon at Sangli (Maharashtra) | 1,777,645 | 6,135,343 |
| | 35,140,593 | 65,096,926 |
| Land including WindMill of 2.50 MW installed thereon at Sodamada (Rajasthan) | - | 11,861,127 |
| Properties situated at (1) Hadbast no. 234, Khewat/ Jambanch no. 115/125, Village Chak Gurjan, Distt. Hoshiarpur (Punjab) (2) Flat no. 306, 3rd Floor, Ashoka Bhoopal Chambers, 1-8-271 to 273, 146/A, Sardar Patel Road, Secunderabad (3) Property at Flat no. 307 3rd Floor, Ashoka Bhoopal Chambers, 1-8-271 to 273, 146/A, S. P. Road, Secunderabad (AP) | - | 31,269,553 |
| Properties situated at (1) Khasra no. 79, Mouza-Chimnazari, P.H. no. 84, N.H. 7, Dist. Nagpur, (2) Village Jhundsarai Viran, Faruknagar, Pataudi, Gurgaon, (3) Survey no. 10/6B, 105/10B, 117/3B and 117/6B at no. 155, Mambakkam Village, Sriperembudur Taluk, Distt. Kancheepuram and a Ship TCI- Surya | - | 122,322,264 |
| Trucks and Cars acquired against individual loan | 653,839,038 | 575,828,183 |
| Term Loans of Joint Venture : Transystem Logistics Internation Pvt Ltd. Loans secured by hypothecation of trucks & trailers | 99,980,430 | 55,513,709 |
| Term Loans of Subsidiary : TCI Global (Singapore) Pte Ltd . Loans secured by legal mortgage of leasehold property of the Company (* refer note below) | 30,866,015 | 30,717,494 |
| Sub-total | 1,033,937,054 | 1,190,577,932 |
| Term Loans from Others | | |
| Land including Windmill of 1.50 KW installed thereon at Jharandi (Maharashtra) | 40,067,000 | 46,479,000 |
| (1) Trucks and (2) Secured by first charge on the mortgage of TCI Prabhu | 175,897,417 | 46,998,677 |
| Trucks acquired against individual loan | 2,297,327 | 18,821,402 |
| Sub-total | 218,261,744 | 112,299,079 |
| Total | 1,252,198,798 | 1,302,877,011 |

4. DEFERRED TAX LIABILITY (Net)

| Particular | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|---------------------------------------|---------------------------------------|
| Difference between book and tax depreciation | 334,681,497 | 318,848,339 |
| Disallowance under Income tax Act | (10,580,228) | (5,242,538) |
| Other Items | (6,816,311) | (1,294,000) |
| Total | 317,284,958 | 312,311,801 |

5. OTHER LONG TERM LIABILITIES

| | | |
|---|---------|---|
| Interest accrued on cumm. fixed deposit | 239,689 | - |
|---|---------|---|

6. LONG TERM PROVISIONS

| | | |
|----------------------------------|---|----------|
| Provision for Employees Benefits | - | 4,93,892 |
|----------------------------------|---|----------|

7. SHORT TERM BORROWINGS

| | | |
|--|----------------------|----------------------|
| Secured | | |
| Working capital loans | | |
| From Bank (i) | 1,002,643,779 | 1,087,129,907 |
| Unsecured | | |
| Other loans | | |
| From Banks (ii) | 1,150,000,000 | 650,000,000 |
| From Others | - | 100,000,000 |
| From Directors | 642,880 | 589,863 |
| Total | 2,153,286,659 | 1,837,719,770 |
| (i) Working capital loans are secured by hypothecation of books debts as primary security along with land properties as collateral | | |
| (ii) Commercial Paper | | |

8. TRADE PAYABLE

| | | |
|-----------------------|-------------|-------------|
| Other than acceptance | 873,469,866 | 705,100,541 |
|-----------------------|-------------|-------------|

9. OTHER CURRENT LIABILITIES

| | | |
|--|--------------------|--------------------|
| Current maturities of long-term debt | | |
| From Banks | 374,766,610 | 453,243,959 |
| From Other | 40,854,584 | 33,651,675 |
| Current maturities of deposits | 1,789,500 | 2,252,000 |
| Overdrawn bank balance | 1,095,106 | 838,440 |
| Interest accrued but not due on borrowings | 6,132,791 | 7,137,035 |
| Interest accrued and not due on fixed deposits | 648,902 | 684,808 |
| Unpaid /Unclaimed dividends | 6,712,878 | 5,898,529 |
| Unclaimed fixed deposits | 166,320 | 176,320 |
| Advances from customers | 555,655 | 3,407,525 |
| Trade / security deposits | 35,482,594 | 33,621,749 |
| Due to gratuity fund | 16,712,545 | 11,748,545 |
| Payables on purchase of fixed assets | 1,085,296 | - |
| Statutory remittances | 28,391,777 | 77,622,247 |
| Total | 514,394,558 | 630,282,832 |

There is no amount due and outstanding to be credited to the Investor Education & Protection Fund

10. SHORT TERM PROVISIONS

| | | |
|----------------------------------|--------------------|--------------------|
| Provision for employees benefits | 53,107,112 | 56,251,388 |
| Others | | |
| Proposed dividend | 49,509,261 | 40,214,408 |
| Tax on proposed dividend | 8,032,731 | 6,523,783 |
| Taxation (net of advance tax) | 116,821,597 | 228,318,158 |
| Total | 227,470,701 | 331,307,737 |

11. Fixed Assets

I. Tangible Assets

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET CARRYING VALUE | | | |
|--------------------------------|------------------|----------------------|---------------------------|----------------------------|------------------|------------------|----------------------|--------------|--------------------------|--------------------|-----------------------------|-----------------------------|
| | As at 01.04.2011 | Transfer on demerger | Additions during the year | Deductions during the year | As at 31.03.2012 | Up to 31.03.2011 | Transfer on demerger | For the Year | Adjustment on Deductions | Total Depreciation | 31 st March 2012 | 31 st March 2011 |
| Land | 620,362,079 | - | 257,247,909 | 1,114,653 | 876,495,335 | - | - | - | - | - | 876,495,335 | 620,362,079 |
| Buildings (c) | 659,792,474 | - | 189,831,941 | 2,367,900 | 847,256,515 | 76,475,861 | - | 12,875,899 | 278,077 | 89,073,683 | 758,182,832 | 583,316,613 |
| Ships | 657,506,927 | - | 216,728,823 | 30,936,646 | 843,299,104 | 265,267,534 | - | 37,548,114 | 28,244,158 | 274,571,490 | 568,727,614 | 392,239,393 |
| Motor Trucks | 1,958,748,472 | - | 305,270,324 | 116,008,379 | 2,148,010,417 | 1,022,748,081 | - | 250,682,081 | 110,053,888 | 1,163,376,274 | 984,634,143 | 936,000,391 |
| Vehicles | 114,958,013 | - | 36,448,990 | 20,161,281 | 131,245,722 | 31,850,424 | - | 11,431,543 | 10,297,247 | 32,984,720 | 98,261,002 | 83,107,589 |
| Plant and Equipment | 653,838,563 | - | 44,803,523 | 1,454,439 | 697,187,647 | 189,221,019 | - | 38,072,422 | 1,342,541 | 225,950,900 | 471,236,747 | 464,617,544 |
| Computers | 147,299,400 | - | 21,861,509 | 23,014,987 | 146,145,922 | 68,506,845 | - | 23,176,640 | 22,336,345 | 69,347,140 | 76,798,782 | 78,792,555 |
| Containers | 133,949,016 | - | 1,742,813 | 75,989 | 135,615,840 | 27,531,445 | - | 6,436,050 | 12,638 | 33,954,857 | 101,660,983 | 106,417,571 |
| Furniture & Fixtures | 136,117,688 | - | 27,418,421 | 334,881 | 163,201,228 | 66,138,656 | - | 9,390,436 | - | 75,529,092 | 87,672,136 | 69,979,032 |
| Office & Equipments | 82,695,267 | - | 6,868,780 | 1,112,228 | 88,451,819 | 47,733,003 | - | 4,326,149 | 277,503 | 51,781,649 | 36,670,170 | 34,962,264 |
| Weighing Scales & Chain Pulley | 4,858,425 | - | 45,071 | - | 4,903,496 | 2,164,059 | - | 204,497 | - | 2,368,556 | 2,534,940 | 2,694,366 |
| SUB-TOTAL | 5,170,126,324 | - | 1,108,268,104 | 196,581,383 | 6,081,813,045 | 1,797,636,927 | - | 394,143,831 | 172,842,397 | 2,018,938,361 | 4,062,874,684 | 3,377,929,935 |

II. Intangible Assets

| | | | | | | | | | | | | |
|-------------------|-------------|---|------------|---|-------------|------------|---|------------|---|------------|------------|------------|
| Computer Software | 113,995,191 | - | 31,304,241 | - | 145,299,432 | 27,710,509 | - | 21,579,040 | - | 49,289,549 | 96,009,883 | 86,284,682 |
|-------------------|-------------|---|------------|---|-------------|------------|---|------------|---|------------|------------|------------|

III. Capital Work in Progress

| | | | | | | | | | | | | |
|--------------------------|----------------------|-------------|----------------------|--------------------|----------------------|----------------------|-----------|--------------------|--------------------|----------------------|----------------------|----------------------|
| Capital Work In Progress | 66,839,394 | - | 132,184,188 | 120,807,383 | 78,216,198 | - | - | - | - | - | 78,216,198 | 66,839,394 |
| TOTAL | 5,350,960,909 | - | 1,271,756,533 | 317,388,766 | 6,305,328,675 | 1,825,347,436 | - | 415,722,871 | 172,842,397 | 2,068,227,910 | 4,237,100,765 | 3,525,613,473 |
| Previous Year | 5,083,265,739 | 496,947,151 | 945,927,361 | 181,285,040 | 5,350,960,909 | 1,574,294,531 | 6,149,952 | 353,157,645 | 95,954,788 | 1,825,347,436 | 3,525,613,473 | 3,508,971,208 |

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

| | 31 st March 2012 | 31 st March 2011 |
|---|-----------------------------|-----------------------------|
| Depreciation for the year | 415,722,874 | 353,157,645 |
| Less: Transfer from revaluation reserve on account of Depreciation on revalued amount | 37,976 | 37,976 |
| Net depreciation charged to Statement of Profit and Loss | 415,684,898 | 353,119,669 |

- (c) Building include those on leasehold land

12. NON-CURRENT INVESTMENT

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|---|-----------------------------|-------------------|-----------------------------|-------------------|
| | Nos. | Rupees | Nos. | Rupees |
| Long Term Investments (At Cost) | | | | |
| Trade Investments: | | | | |
| Fully Paid Equity Shares of Associates Stock Companies | | | | |
| Unquoted:- | | | | |
| Associates | | | | |
| TCI Developers Ltd. of Rs.10 each | - | - | 100,000 | 1,000,000 |
| XPS Cargo Services Ltd. of Rs 10 each | 316,816 | 3,504,480 | 316,815 | 3,504,480 |
| Investments in Partnership Firms: | | | | |
| TCI Properties (GUJ) | | - | - | 1,118 |
| TCI Properties (NCR) | | - | - | 1,025 |
| TCI Properties (Delhi) | | - | - | 2,593 |
| TCI Properties (South) | | - | - | 1,093 |
| TCI Warehousing (MH) | | - | - | 1,020 |
| Sub-total | | 3,504,480 | | 4,511,329 |
| Non-Trade | | | | |
| Quoted- | | | | |
| Fully Paid Equity Shares: | | | | |
| Associates | | | | |
| TCI Developers Ltd. of Rs.10 each | 100,000 | 1,000,000 | - | - |
| Others | | | | |
| Infosys Technologies Ltd.of Rs 5 each | 1,200 | 1,852,020 | 1,200 | 1,852,020 |
| Edelweiss Capital Ltd of Rs 1 each | 9,820 | 1,243,342 | 9,820 | 1,243,342 |
| Reliance Industries Ltd of Rs 10 each | 3,624 | 2,752,134 | 3,624 | 2,752,134 |
| Mutual Funds: | | | | |
| UTI Balanced Funds (Sold during the year) | - | - | 3,105 | 67,655 |
| JM Basic Fund | 149,753 | 5,000,000 | 149,753 | 5,000,000 |
| Debentures and Bonds | | | | |
| National Highway Authority of India - 1236 Bonds of Rs 1,000 each | 1,236 | 1,236,000 | - | - |
| Sub-total | | 13,083,496 | | 10,915,151 |
| Total | | 16,587,976 | | 15,426,480 |
| Market value of quoted investments | | 21,346,721 | | 10,370,376 |

13. LONG TERM LOANS & ADVANCES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Unsecured | | |
| Capital advances | 108,189,302 | 99,117,067 |
| Security deposits with customers | 54,096 | 45,864 |
| Prepaid expenses | 41,202 | 33,298 |
| Advance & deposits with others | 9,944,432 | 274,721 |
| | 118,229,032 | 99,470,951 |
| Considered good | 108,559,321 | 99,470,951 |
| Considered doubtful | 9,669,711 | - |
| Less: Provision made for doubtful advances & deposits | (9,669,711) | - |
| Total | 108,559,321 | 99,470,951 |

14. OTHER NON-CURRENT ASSETS

| | | |
|---|-----------|-----------|
| Deferred employee stock option compensation | 5,820,415 | 5,373,658 |
|---|-----------|-----------|

15. INVENTORIES (As taken, valued and certified by the management)

| | | |
|---|-------------------|-------------------|
| At lower of cost and net realisable value | | |
| Ship fuels & consumables | 19,636,836 | 14,068,324 |
| Other consumables | - | 237,104 |
| Total | 19,636,836 | 14,305,428 |

16. TRADE RECEIVABLE

| | | |
|---|----------------------|----------------------|
| Unsecured | | |
| Outstanding for more than six month from the due date | | |
| Considered good | 137,704,719 | 99,295,131 |
| Considered Doubtful | 5,000,000 | 2,000,000 |
| Less: Provision for doubtful debt | (5,000,000) | (2,000,000) |
| | 137,704,719 | 99,295,131 |
| Others | 3,226,794,584 | 3,109,112,219 |
| Total | 3,364,499,303 | 3,208,407,350 |

17. CASH & BANK BALANCE

| | | |
|---------------------------------------|--------------------|--------------------|
| Cash on hand | 16,968,737 | 6,335,140 |
| Balances with banks | | |
| In current accounts | 112,591,335 | 71,025,434 |
| In EEFC accounts | 285,234 | 404,943 |
| In deposit accounts | 170,737,183 | 98,875,942 |
| Unpaid dividend accounts (Earmarked) | 6,712,878 | 5,898,529 |
| Total | 307,295,368 | 182,539,988 |

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

18. OTHER SHORT TERM LOANS & ADVANCES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|------------------------------------|---------------------------------------|---------------------------------------|
| Unsecured considered good | | |
| Advances & deposits with Landlords | 112,012,576 | 93,797,114 |
| Security deposits with customers | 108,210,096 | 106,033,993 |
| Loans and advances to employees | 10,338,096 | 10,725,578 |
| Prepaid expenses | 34,416,903 | 12,722,005 |
| CENVAT credit receivable | 2,505,744 | 1,346,734 |
| Tax deducted at source | 296,548,582 | 393,791,638 |
| Accrued Income | 6,196,593 | 6,264,305 |
| Operational advances | 94,708,762 | 236,435,343 |
| Total | 664,937,352 | 861,116,710 |

19. OTHER CURRENT ASSETS

| | | |
|---|------------------|------------------|
| Deferred employee stock option compensation | 7,962,666 | 4,080,075 |
| Preliminary expenses | 871,583 | 1,300,812 |
| Total | 8,834,249 | 5,380,887 |

In the opinion of the Board, assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated

20. REVENUE FROM OPERATIONS

| | | |
|--|-----------------------|-----------------------|
| Freight, Demurrage and Miscellaneous Charges | 18,528,643,385 | 17,669,860,461 |
| Sales | 72,877,906 | 88,690,636 |
| Logistics and Other Services | 923,392,747 | 741,456,296 |
| Clearing and Forwarding Services | 12,570,488 | 12,578,314 |
| Total | 19,537,484,526 | 18,512,585,707 |

21. OTHER INCOME

| | | |
|--|-------------------|-------------------|
| Rent | 4,542,425 | 2,482,267 |
| Dividends | 4,209,281 | 4,218,339 |
| Miscellaneous Income | 6,612,042 | 17,643,837 |
| Profit on sale of fixed assets (net) | | |
| On ships | 19,807,511 | - |
| On other assets | 1,256,031 | 3,477,030 |
| Unspent liabilities/excess provisions written back | 5,407,079 | 199,932 |
| Bad Debts and Irrecoverable Balances written off earlier, realised | 3,498,852 | 8,851,947 |
| Interest Received | 11,350,886 | 9,639,528 |
| Share of profits in partnership firm | - | 280 |
| Exchange rate difference (net) | - | 4,800,121 |
| Total | 56,684,107 | 51,313,281 |

22. COST OF GOODS SOLD

| | | |
|----------|-----------|------------|
| Purchase | 2,576,138 | 24,144,138 |
|----------|-----------|------------|

23. OPERATING EXPENSES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Freight | 12,575,546,728 | 12,212,484,622 |
| Vehicles' Trip Expenses | 1,494,454,675 | 1,457,691,612 |
| Tyres & Tubes etc. | 88,074,029 | 82,980,037 |
| Warehouse Rent | 148,441,924 | 123,225,214 |
| Warehouse Expenses | 389,660,539 | 321,904,345 |
| Other Transportation Expenses | 219,856,040 | 251,078,944 |
| Claims for loss & damages (Net) | 14,752,003 | 13,844,980 |
| Commission | 1,359,502 | 22,258,268 |
| Vehicles' Taxes | 43,375,297 | 38,854,947 |
| Vehicles' and Ship Insurance | 29,835,455 | 17,137,009 |
| Power, Fuel and Water Charges | 243,818,934 | 150,141,991 |
| Stores & Spare Parts Consumed | 50,803,514 | 32,186,560 |
| Port and Survey Expenses | 38,560,675 | 32,287,567 |
| Stevedoring and Cargo Expenses | 177,200,588 | 194,922,514 |
| Wages, Bonus and Other Expenses - floating Staff | 103,713,957 | 95,677,660 |
| Contribution to Provident & Other funds -floating Staff | 455,750 | 423,241 |
| Clearing and forwarding Expenses | 63,299,280 | 57,071,239 |
| Total | 15,683,208,890 | 15,104,170,750 |

24. EMPLOYEES BENEFITS EXPENSES

| | | |
|--|----------------------|--------------------|
| Salaries, Wages & Bonus | 818,387,272 | 734,726,784 |
| Contribution to Provident & Other funds | 82,329,068 | 66,333,602 |
| Contribution to Employees' State Insurance | 20,093,280 | 16,812,965 |
| Staff Welfare & Development Expenses | 87,552,563 | 67,968,192 |
| Employees Stock Option Scheme | 6,973,760 | 6,048,569 |
| Total | 1,015,335,943 | 891,890,112 |

25. OTHER EXPENSES

(A) ADMINISTRATIVE EXPENSES

| | | |
|--------------------------------------|-------------|-------------|
| Rent | 189,811,037 | 158,266,109 |
| Rates and Taxes | 13,835,449 | 15,177,448 |
| Insurance | 8,332,261 | 7,129,247 |
| Telephone Expenses | 44,444,634 | 45,494,777 |
| Printing and Stationery | 32,472,028 | 30,164,448 |
| Travelling Expenses | 143,730,381 | 127,581,334 |
| Legal Expenses | 11,404,131 | 17,074,114 |
| Postage and Telegram | 16,566,738 | 7,376,379 |
| Electricity Expenses | 32,192,737 | 28,291,426 |
| Bank Charges | 13,885,913 | 17,385,398 |
| Advertisement Expenses | 10,772,002 | 12,797,533 |
| Office Maintenance & Security exp. | 161,338,088 | 94,139,457 |
| E mail/I. net/Telex Expenses | 30,837,274 | 28,591,435 |
| Consultancy & Internal Audit fee (i) | 16,918,088 | 17,142,480 |
| Conference & Seminar exp. | 11,273,013 | 14,309,664 |

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Miscellaneous Expenses | 73,578,270 | 45,565,478 |
| Commission & Fee's to Directors | 2,800,000 | 2,085,000 |
| Remuneration to Auditors | | |
| Audit Fees | 2,901,446 | 2,212,260 |
| Tax Audit Fees | 494,921 | 481,681 |
| Other Services | 83,520 | 4,520 |
| Lease Rent Payments | 1,863,105 | 260,920 |
| Bad Debts and Irrecoverable Balances Written off (ii) | 40,009,106 | 17,765,378 |
| Agricultural Expenses (Net of income) | 860,737 | 246,045 |
| Charity & Donations | 29,074,856 | 31,458,326 |
| Loss on sale of Investment in subsidiary | - | 31,065,461 |
| Exchange Difference | 4,376,005 | - |
| Preliminary Expenses W/O | 440,245 | 639,129 |
| Sales tax & Entry Tax | 483,422 | - |
| Sub-total | 894,779,407 | 752,705,447 |

(i) Includes Rs 13,50,000 paid to two directors for services of a professional nature (Previous year Rs 22,50,000)

(ii) Includes provision of Rs 126,69,710 (Previous year - Rs. 2,000,000)

(B) REPAIRS & MAINTENANCE EXPENSES

| | | |
|----------------------|----------------------|----------------------|
| Motor Trucks | 199,964,376 | 172,135,577 |
| Other Vehicles | 31,381,665 | 30,708,203 |
| Ships | 20,881,515 | 13,839,678 |
| Dry Docking Expenses | 56,893,906 | 85,092,009 |
| Plant & Machinery | 27,932,953 | 19,156,933 |
| Computers | 22,860,657 | 18,253,591 |
| Buildings | 17,240,355 | 13,730,610 |
| Sub-total | 377,155,427 | 352,916,601 |
| Total | 1,271,934,834 | 1,105,622,048 |

26. FINANCE COST

| | | |
|-------------------|-------------|-------------|
| Interest expenses | 349,999,426 | 265,918,291 |
|-------------------|-------------|-------------|

- 27 The Consolidated Financial Statement include results of all the subsidiaries, step-down subsidiaries and joint ventures of Transport Corporation of India Limited.

| Sl. | Name of the Company | Country of Incorporation | % of Shareholding | Consolidated as |
|-----|---|--------------------------|-------------------|----------------------|
| 1 | Ann-Sofie Scan ApS | Denmark | 50% | Joint Venture |
| 2 | Transsystem Logistics International Pvt. Ltd. | India | 49% | Joint Venture |
| 3 | PT. TCI Global | Indonesia | 100% | Step-down Subsidiary |
| 4 | TCI Global (HKG) Ltd. | Hong Kong | 100% | Step-down Subsidiary |
| 5 | TCI Global (Thailand) Co. Ltd. | Thailand | 100% | Step-down Subsidiary |
| 6 | TCI Global Pte Ltd. | Singapore | 100% | Step-down Subsidiary |
| 7 | TCI Global Logistik GmbH | Germany | 100% | Step-down Subsidiary |
| 8 | TCI Global Netherlands B. V. | Netherlands | 100% | Step-down Subsidiary |
| 9 | TCI Holdings Asia Pacific Pte. Ltd. | Singapore | 100% | Step-down Subsidiary |
| 10 | TCI Global (Malaysia) Sdn Bhd | Malaysia | 100% | Step-down Subsidiary |
| 11 | TCI Global Brazil Logistica Ltda | Brazil | 100% | Step-down Subsidiary |
| 12 | TCI Holdings Netherlands B.V. | Netherlands | 100% | Step-down Subsidiary |
| 13 | TCI Holdings SA & E PTE LTD | Singapore | 100% | Step-down Subsidiary |
| 14 | TCI Scan Denmark ApS (15 August, 2011)* | Denmark | 100% | Step-down Subsidiary |
| 15 | TCI Express Pte. Ltd. | Singapore | 100% | Subsidiary |
| 16 | TCI Global Holdings (Mauritius) Ltd. | Mauritius | 100% | Subsidiary |
| 17 | TCI Global (Shanghai) Co. Ltd. | China | 100% | Subsidiary |
| 18 | Transport Co of India (Mauritius) Ltd. | Mauritius | 100% | Subsidiary |
| 19 | TCI Properties (Pune) Ltd. | India | 100% | Subsidiary |
| 20 | TCI Distribution Centers Ltd. | India | 73.92% | Subsidiary |
| 21 | Infinite Logistics Solutions Pvt. Ltd. | India | 51% | Subsidiary |

*TCI Scan Denmark ApS has been liquidated during the year.

- (a) The financial statements of these companies are for the period as under:-

| Sl. | Name of the Company | Period | | Remarks |
|-----|---|------------------------------|--------------------------------|-------------------------------|
| | | From | To | |
| 1 | Ann-Sofie Scan ApS | 1 st January 2011 | 31 st December 2012 | Financial year of the company |
| 2 | Transsystem Logistics International Pvt. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 3 | PT. TCI Global | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 4 | TCI Global (HKG) Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 5 | TCI Global (Thailand) Co. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 6 | TCI Global Pte Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 7 | TCI Global Logistik GmbH | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 8 | TCI Global Netherlands B. V. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 9 | TCI Holdings Asia Pacific Pte. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 10 | TCI Global (Malaysia) Sdn Bhd | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 11 | TCI Global Brazil Logistica Ltda | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 12 | TCI Holdings Netherlands B.V. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 13 | TCI Express Pte. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 14 | TCI Scan Denmark ApS | 1 st January 2011 | 15 th August 2011 | Financial year of the company |
| 15 | TCI Global Holdings (Mauritius) Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 16 | TCI Global (Shanghai) Co. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 17 | Transport Co of India (Mauritius) Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 18 | TCI Holdings SA & E PTE LTD | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 19 | TCI Properties (Pune) Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 20 | TCI Distribution Centers Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 21 | Infinite Logistics Solutions Pvt. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |

- (b) Financial statements of subsidiaries viz. TCI Global Logistik GmbH, TCI Global Netherlands B.V., TCI Holdings SA&E Pte Ltd and TCI Holdings Netherlands B.V. which reflect total assets of Rs 5.70 million as at 31st March 2012, total revenue of Rs Nil million and loss of Rs 2.17 million for the year ended 31st March 2012 have not been audited.
- (c) The Consolidated financial statements have been prepared on the following principles:
- In respect of Subsidiary Companies, the financial statements have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Accounting Standard-AS 21 "Consolidated Financial Statement".
 - In case of Joint Venture Companies, the financial statements have been consolidated considering the interest in the joint ventures using proportionate consolidation method as per the Accounting Standard - AS - 27 "Financial Reporting of Interest in Joint Ventures".
 - In case of foreign subsidiary and joint venture, being Non-Integral Foreign Operations, revenue items are consolidated at the exchange difference arising on consolidated is recognised as "Exchange Difference on Consolidation".
 - The Excess of cost to the Company of its investment in subsidiary and joint venture companies is recognised in the financial statements as a 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.

28 RELATED PARTY DISCLOSURES

| | |
|--|---|
| I. 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. Priyanka Agarwal (Wife of Mr. Vineet Agarwal) | |
| iii. Associates: | |
| TCI Global Logistics Ltd | TCI Exim Pvt. Ltd. |
| Bhoruka Finance Corporation of India Ltd | XPS Cargo Services Ltd |
| TCI Industries Ltd | TCI India Ltd |
| Bhoruka International Pvt. Ltd | TCI Warehousing (MH) – Partnership firm |
| TCI Properties (Guj) – Partnership firm | TCI Properties (South) – Partnership firm |
| TCI Properties (Delhi) – Partnership firm | TCI Properties (NCR) – Partnership firm |
| TCI Developers Ltd. | TCI Infrastructure Ltd. |
| TCI Properties (West) Ltd. | |

II.Transactions with Related Parties:

| Nature of Transaction | Nature of Relation | Amount (Rupees) | Amount (Rupees) |
|------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
| Transactions during the year: | | 31 st March 2012 | 31 st March 2011 |
| Income: | | | |
| Freight Income | Associates | 30,839 | 546,403 |
| Interest Received | Associates | 161,315 | - |
| Expenditure: | | | |
| Fuel Purchases | Associates | 50,439,205 | 52,894,137 |
| Clearing & Forwarding Services | Associates | | 483,114 |
| Rent Paid | Associates | 37,973,267 | 32,931,876 |
| | Key Management Personnel | 784,600 | 768,600 |
| | Relatives of Key Management Personnel | 600,000 | 600,000 |
| Interest Paid | Associates | 150,607 | 3,465,335 |
| Remuneration and Commission | Key Management Personnel | 83,292,327 | 76,566,834 |
| Finance & Investment: | | | |
| Loans Given | Associates | 8,000,000 | - |
| Refund of Loans Given | Associates | 8,000,000 | - |
| Loans Taken | Associates | 5,500,000 | 54,068,796 |
| Refund of Loans Taken | Associates | 5,500,000 | 54,068,796 |
| Advances/ Deposits Given | Associates | 3,955,452 | 1,747,332 |
| Advances/ Deposits Taken | Key Management Personnel | 2,000,000 | 2,218,189 |
| Refund of Advances/ Deposits Taken | Key Management Personnel | 101,966 | 2,271,931 |

III. Balances as at the year end

| Assets: | | 2011-12 | 2010-11 |
|--------------------------|---------------------------------------|----------------|----------------|
| Investments Made | Associates | 67,637,000 | 4,000,000 |
| Trade Receivables | Associates | 86221 | - |
| Advances/ Deposits Given | Associates | 22,202,980 | 16,497,332 |
| | Key Management Personnel | 640,500 | 640,500 |
| | Relatives of Key Management Personnel | 240,000 | 240,000 |
| Liabilities: | | | |
| Trade Payables | Associates | 148,433 | 2,330,592 |
| Advances/ Deposits Taken | Key Management Personnel | 642,880 | 544,846 |

29. SEGMENT INFORMATION

| Particulars | Divisions | 31st March 2012 Rupees in millions | 31st March 2011 Rupees in millions |
|---|---------------------------------|--|--|
| 1 Segment Revenue | | | |
| | Freight Division | 7880.10 | 8120.40 |
| | XPS Division | 4953.20 | 4595.20 |
| | Supply Chain Solutions Division | 5825.20 | 4828.00 |
| | Seaways Division | 930.80 | 735.30 |
| | Energy Division | 72.90 | 63.80 |
| | Global Division | 241.40 | 486.40 |
| | Unallocable & Corporate | 11.50 | 13.70 |
| Total | | 19,915 | 18,843 |
| Less: Inter Segment Revenue | | 321 | 279 |
| Net Sales/Income from Operations | | 19,594 | 18,564 |
| 2 Segment Results | | | |
| | Freight Division | 242.60 | 326.40 |
| | XPS Division | 381.80 | 348.90 |
| | Supply Chain Solutions Division | 506.00 | 392.70 |
| | Seaways Division | 116.30 | 62.60 |
| | Energy Division | 32.60 | 24.10 |
| | Global Division | (76.00) | (50.60) |
| Total | | 1203.30 | 1104.10 |
| Unallocated Corporate Income net of Unallocated Corporate Expenses | | (2.20) | 20.20 |
| Interest Expenses (Net of Income) | | 350.00 | 265.90 |
| Profit Before Tax | | 855.50 | 818.00 |
| Other Information | | | |
| Segment Assets | | | |
| | Freight Division | 1921.82 | 1767.29 |
| | XPS Division | 974.53 | 1001.92 |
| | Supply Chain Solutions Division | 2365.26 | 2015.76 |
| | Seaways Division | 882.65 | 737.09 |
| | Energy Division | 374.40 | 399.33 |
| | Global Division | 148.30 | 209.14 |
| | Unallocated Corporate Assets | 1889.67 | 1871.01 |
| Total Assets | | 8556.63 | 8001.54 |
| Segment Liabilities | | | |
| | Freight Division | 129.32 | 122.69 |
| | XPS Division | 149.93 | 144.02 |
| | Supply Chain Solutions Division | 509.36 | 410.36 |

| Particulars | Divisions | 31 st March 2012 Rupees in millions | 31 st March 2011 Rupees in millions |
|----------------------------------|-----------------------------------|---|---|
| | Seaways Division | 17.15 | 21.19 |
| | Energy Division | - | 0.83 |
| | Global Division | 1.00 | 50.64 |
| | Unallocated Corporate Liabilities | 324.37 | 654.71 |
| Total Liabilities | | 1131.13 | 1404.44 |
| Capital Expenditure | Freight Division | 101.62 | 53.27 |
| | XPS Division | 54.66 | 58.36 |
| | Supply Chain Solutions Division | 339.76 | 603.21 |
| | Seaways Division | 221.18 | 5.57 |
| | Energy Division | - | - |
| | Global Division | 11.73 | 5.38 |
| | Unallocated Capital Expenditure | 422.00 | 150.67 |
| Total Capital Expenditure | | 1150.95 | 876.46 |
| Depreciation | Freight Division | 73.57 | 62.87 |
| | XPS Division | 53.24 | 56.35 |
| | Supply Chain Solutions Division | 214.13 | 165.69 |
| | Seaways Division | 44.71 | 38.06 |
| | Energy Division | 27.47 | 27.47 |
| | Global Division | 2.60 | 2.68 |
| Total Depreciation | | 415.72 | 353.12 |

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

30. CONTINGENT LIABILITIES & COMMITMENTS

| | | |
|--|--------|--------|
| (a) Contingent liabilities not provided in respect of following | | |
| Trade Tax/ Octroi/ Duty/ ESI and other demands under dispute | 42.95 | 38.15 |
| Guarantees and Counter Guarantees Outstanding | 221.85 | 319.95 |
| Income Tax demands under dispute | 447.01 | 336.97 |
| (b) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for net of advance on tangible assets | 102.27 | 29.86 |

31 EARNINGS PER SHARE

| Particulars | Unit | 31 st March 2012 | 31 st March 2011 |
|---|--------|-----------------------------|-----------------------------|
| Net Profit after tax available for equity share holders- for Basic and Diluted EPS | Rupees | 595,056,813 | 501,342,464 |
| Weighted average no. of Equity Shares for Basic EPS | Nos. | 72,682,644 | 72,571,329 |
| Add: Adjustments for stock options | Nos. | 288,971 | 55,366 |
| Weighted average no. of Equity Shares for Diluted EPS | Nos. | 72,971,616 | 72,626,695 |
| Nominal Value of Equity Shares | Rupees | 2.00 | 2.00 |
| Basic Earnings per Equity Share | Rupees | 8.19 | 6.91 |
| Diluted Earnings per Equity Share | Rupees | 8.15 | 6.90 |

32 In respect of assets taken under non-cancellable operating lease, the future minimum lease payments as on 31st March 2012 are:

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Not later than one year | 1,842,055 | 2,075,807 |
| Later than one year and not later than five years | 221,185 | 221,185 |
| Later than five years | 168,400 | 189,450 |
| Total | 2,231,640 | 2,486,442 |

33 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.

34 Previous year figure's have been regrouped /rearranged wherever considered necessary

35. ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Recognition of Income and Expenditure

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

2. Gratuity and Leave Encashment

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

3. Depreciation

Depreciation is provided on straight-line method at rates specified in schedule XIV to the Companies Act, 1956 except for pallets and bins included under plant and machinery, the cost whereof are amortized over a period of five years from the date of purchase. Depreciation on additions/ deductions is calculated pro-rata from / to the month of addition / deduction. Individual assets whose actual cost does not exceed Rs. 5,000, except pallets and bins, are fully depreciated in the year of purchase.

4. Fixed Assets

- (a) Fixed Assets are stated at cost and/or at revaluation
- (b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from capital reserve created on revaluation of fixed assets to Profit and Loss Account

5. Investment

- (a) "Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. "
- (b) Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

6. Inventories

Inventories are valued at lower of cost and net realisable value

7. Foreign Exchange Transactions:

- (a) Initial recognition
All transactions in foreign currency are recorded at the rate of

exchange prevailing on the dates when the relevant transactions take place.

- (b) Measurement of foreign currency monetary items at the balance sheet date

Monetary items in foreign currency at the year end are converted in Indian Currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:

- (i) Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.
- (ii) In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance life of the long-term monetary item.
- (c) Treatment of exchange differences
Any income or expense on account of exchange difference either on settlement or translation is recognised in the profit and loss account
- (d) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

8. Taxation

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on assessable income. Provision for current income tax on income from shipping activities is made on the basis of deemed tonnage income of the Company.

The company, except for its Seaways division, provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected

9. Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.

- 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. Recognizing 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 Subsidiaries, Joint Ventures, to the extent, different and unique from parent.

(a) Transsystem Logistics International Private Limited

- (i) Depreciation on fixed assets is provided on straight-line method over their expected useful life at the rates given below and is different from the rates prescribed under schedule XIV of the Companies Act, 1956

| Category of assets | Rate applied % |
|---|----------------------|
| Tangible assets : | |
| Motor trucks and trailers (including accessories) | 20.00 / 50.00/100.00 |
| Plant and machinery | 10.00 |
| Furniture and fixtures | 12.50 |
| Office equipments | 16.67 |
| Computers | 25.00 |
| Motor cars and scooters | 20.00 |
| Tangible assets : | |
| Computer software | 25.00 |

- (ii) Buildings on lease-hold land is amortized over the period of lease or useful life of the assets whichever is less

(b) Ann-Sofie 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. |
| Plant and machinery | 25% p.a. |

- (iii) Deferred Tax

The company not doing deferred tax temporary differences between revenue and expenses for the purpose of commercial and tax.

(d) TCI Global (Shanghai) Co. Ltd

Depreciation method of fixed assets: The straight line method is used in computing the depreciation of fixed assets, and the depreciation rate is computed according to the original value of fixed assets and the deduction of residual value as per expected service life.

(e) TCI Global Pte. Ltd.

Depreciation is calculated on a straight-line method to write off the cost of the property, plant and equipment over their estimated useful lives at the following annual rates

| | |
|---------------------|----------|
| Leasehold Property | 60 years |
| Plant and machinery | 5 years |
| Computers | 3 years |
| Furniture & Fitting | 5 years |
| Renovation | 5 years |

(f) Transport Co of India (Mauritius) Ltd.

The financial statements have been prepared on a historical basis except trade and other receivables at amortized costs.

(g) TCI Global (HKG) Ltd

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong, that include Hong Kong Financial Reporting Standards (HKFRSs) and the requirements of the Hong Kong Companies Ordinance.

(h) TCI Holdings SA & E Pte Ltd, Singapore

The financial statements have been prepared in accordance with accounting principles generally accepted in Singapore as required by Singapore Companies ACT Chapter 50

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

S. M. Datta
Chairman

Vineet Agarwal
Joint Managing Director
Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

Notice of Annual General Meeting

NOTICE is hereby given that the Seventeenth Annual General Meeting of Transport Corporation of India Limited will be held on Thursday, July 26th, 2012 at 11.00 A.M. 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:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31st, 2012, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend on Equity shares, if any.
3. To appoint a Director in place of Mr. S M Datta, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S N Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To take on record appreciation for the services rendered by Mr. R V Raghavan, Director of the Company who retires by rotation under Section 255 of the Companies Act, 1956.
6. To consider and appoint M/s R. S. Agarwala & Co., Chartered Accountants, Kolkata, the Statutory Auditors bearing Firm Registration No: 304045E 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, are the retiring auditors and being eligible offers themselves for re appointment.

SPECIAL BUSINESS:

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. 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 2012-13 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, bearing Firm Registration No: 304045E be and are hereby appointed as Branch Auditors for auditing the accounts of TCI Seaways Division of the Company for the year 2012-13 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."
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Ashish Bharat Ram, who was appointed as an additional director of the Company by the Board of Directors with effect from July 28, 2011 to hold office upto the date of next Annual General Meeting and in respect of whom the Company has received a letter in writing under Section 257 proposing his candidature for the office of director, be and is hereby appointed as Director of the Company, who will be liable to retire by rotation.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be expedient to give effect to this resolution."
10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of section 293 (1) (e) of the Companies Act, 1956, and other provisions, if any of the Companies Act, 1956 or rules made there under, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, of benevolent or general fund, society, association, institution, trust, organization, not directly relating to the business the Company or the welfare of its employee, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large and/or incur any expenditure on their behalf, upto an amount not exceeding to Rs. 5,00,00,000/- (Rupees Five Crore only) in any financial year, notwithstanding the fact that said amount may exceed Rs. 50,000 or 5% of the Company's average net profit as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the three years immediately preceding the current Financial Year, which ever is greater.
RESOLVED FURTHER THAT Mr. D P Agarwal, Vice Chairman & Managing Director, Mr. Vineet Agarwal, Joint Managing Director, Mr. Chander Agarwal, Executive Director & Mr. A K Bansal, Group CFO & Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary in the regard and to execute and sign all such documents and papers as may be necessary to give effect to this resolution."

By order of the Board
For **Transport Corporation of India Ltd**
A. K. Bansal
Group CFO & Company Secretary

Place : Gurgaon
Date : 30th May, 2012

NOTES:

- I. Proxy: A MEMBER ENTITLED TO ATTEND AND VOTE IS AUTHORIZED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE 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.
- II. Explanatory Statement: The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business at Items 7, 8, 9 and 10 as set out above, to be transacted at the Meeting, is annexed hereto.
- III. Authorized Representatives: Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing them in this behalf.
- IV. Re-appointment of Directors: As per the provisions of Section 256 of the Companies Act, 1956, Mr. S M Datta & Mr. S N Agarwal, Directors of the Company,

retire by rotation at the Meeting and being eligible, offer themselves for re-appointment. The Board of Directors recommends their re-appointment. Brief bio data of the directors proposed to be re-appointed, their experience, nature of their expertise, their directorships & Chairmanships in other companies etc have been provided and are forming part this Report.

- V. Retirement of Director- Mr. R.V Raghavan, Director of the Company, retires by rotation at the Meeting. The Board of Directors place their sincere appreciation for the services rendered by him to the Company during his tenure with the Company.
- VI. Closure of Books: The Share Transfer Books and the Register of Members shall remain closed from 21st July, 2012 to 26th July, 2012 (both days inclusive) for determining the shareholders entitlement for final dividend for the year ended 31st March 2012. The dividend shall be paid on or after 27th July 2012. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- VII. Change of the name of the Company: The name of the Company had been changed from TCI Industries Ltd. to Transport Corporation of India Ltd. vide fresh Certificate of Incorporation dated 29/01/99, issued by the Registrar of Companies, Andhra Pradesh, Hyderabad.
- VIII. NRI Shareholders: The Non-Resident Indian shareholders are requested to inform the company immediately about:
 - i. The change in the residential status on return to India for permanent settlement.
 - ii. The particulars of NRO bank Account in India, if not furnished earlier.
- IX. Details of Shareholders: 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.
- X. ECS facility to Shareholders: ECS facility is presently accessible 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 quicker credit of dividend.
- XI. Shareholders Correspondence: The members are requested to address all their communications to M/s Abhipra Capital Ltd., Ground Floor, Abhipra Complex, Dilkush 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.
- XII. Exchange of old Share Certificates: 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 numerous times requested by the said Company and consequent reminders from our Company as well, to obtain their new share certificates of four Companies including this Company.
- XIII. Listing with Stock Exchanges: The shares of the Company are at present listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees in respect of the year 2012-13 have since been paid to both NSE and BSE.
- XIV. Unclaimed Dividend: The unclaimed dividend for the year ended 31st March 2005 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 Seven years on 2nd October, 2012, 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).
- XV. 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.
- XVI. Under Employee Stock Option Scheme-IV (ESOS-IV), the exercise period is 2 months from the date of vesting.
- XVII. The Company is using intrinsic value method for valuation of the options granted under Employee Stock Option Scheme - 2006.

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

ITEM NO. 7

M/s. K. B. Chitracar & Co., Chartered Accountants, Kathmandu, are the Branch Auditors of the Company for auditing the accounts of all the branches of the Company situated in Royal Kingdom of Nepal. Their present term as Branch Auditor shall expire on the conclusion of this Annual General Meeting. Therefore, it is proposed to re-appoint them for the financial year 2012-13. They have also expressed their willingness to be re-appointed as Branch Auditors for the financial year 2012-13.

Your Directors recommend the appointment of M/s. K.B. Chitracar & Co., Chartered Accountants, as Branch Auditors for the financial year 2012-13 and request the shareholders to pass the resolution as Ordinary Resolution.

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

ITEM NO. 8

M/s. R. S. Agarwala & Co., Chartered Accountants, Bangalore are the Branch Auditors for TCI Seaways Division of the Company for conducting the audit of the division. Pursuant to the provisions of Companies Act, 1956, their present term shall expire on the conclusion of this Annual General Meeting and therefore, the Board recommends their re-appointment for the Financial Year 2012-13. M/s R. S. Agarwala & Co. has also expressed their willingness for such re-appointment.

The shareholders are requested to pass the resolution as Ordinary Resolution.

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

ITEM NO. 9

Mr. Ashish Bharat Ram was appointed as an Additional Director on the Board of the Company on 28th July, 2011 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting.

Pursuant to requirements of Section 257 of the Companies Act, 1956, a notice has been received from a member signifying his intention to propose appointment of Mr. Ashish Bharat Ram as the Director of the Company.

Thus, the Board of Directors propose to appoint Mr. Ashish Bharat Ram as Director of the Company.

Except Mr. Ashish Bharat Ram, no other director of the Company is concerned or interested in the proposed resolution.

ITEM NO. 10

Pursuant to the provisions of Section 293 (1) (e) of the Companies Act, 1956, a Company can contribute/donate upto Rs. 50,000 or 5% of the Company's average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three years immediately preceding the current Financial Year, whichever is greater.

As part of its CSR activities, by itself and through its social arm "TCI Foundation", the Company always believed in sharing & contributing to the society at large. Further, the Company has significantly grown over the years in terms of its Topline as well as Bottomline. Therefore, the above limit needs to be amended.

In view of the above, the members may consider enhancing the permissible limits u/s 293(1)(e) giving powers to the Board, as aforementioned, upto Rs. 5,00,00,000/- (Rupees Five Crore only) in any financial year.

The Board of directors recommends this resolution for approval of the members.

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

By order of the Board
For **Transport Corporation of India Ltd**
A. K. Bansal
Group CFO & Company Secretary

Place : Gurgaon

Date : 30th May, 2012

Details of Directors retiring by rotation seeking re-election and appointment of Directors at this Annual General Meeting:

| Particular | Mr. S M Datta | Mr. S N Agarwal |
|---|---|--|
| Appointed on | 31/10/2001 | 02/01/1995 |
| Qualifications | Chartered Engineer | Graduate in management from Davenport College of Business, US |
| Expertise in specific functional area | Has more than 52 years of experience in the engineering and technology sector | Over 41 years of rich experience in various industries including logistics |
| Chairmanship/ Directorship of Companies held | Public Limited Companies | Public Limited Companies |
| | Transport Corporation of India Ltd. | Bhoruka Gases Limited |
| | Castrol India Ltd. | TCI Industries Ltd. |
| | Philips Electronics India Ltd. | Bhoruka Power Corporation Ltd. |
| | IL & FS Investment Managers Ltd. | Transport Corporation of India Ltd. |
| | Tata Trustee Co. Ltd. | Kirloskar Electric Company Ltd. |
| | Peerless Gen. Fin. & Inv. Co. Ltd. | Private Limited Companies |
| | Peerless Hotels Ltd. | Iruppu Power Pvt. Ltd. |
| | Zodiac Clothing Company Ltd. | Bhoruka Steel Investments India Pvt. Ltd. |
| | Kansai Nerolac Paints Ltd. | Bhoruka Realty Investments India Pvt. Ltd. |
| | Atul Ltd. | Bhoruka Gases Investments India Pvt. Ltd. |
| | Bhoruka Power Corporation India Ltd. | Bhoruka Power Investments India Pvt. Ltd. |
| | Rabo India Finance Limited | Bhoruka Steel Holdings Pvt. Ltd. |
| | Speciality Restaurants Limited | Bhoruka Park Holdings Pvt. Ltd. |
| | Door Sabha Nigam Ltd. | Bhoruka Infratech Investments India Pvt. Ltd. |
| | Peerless Developers Limited | Bhoruka Park Investments India Pvt. Ltd. |
| | Private Ltd. Companies | Bhoruka Cogen Power Pvt. Ltd." |
| | Reach (Cargo Movers) Pvt. Ltd. | |
| | Chandras Chemical Enterprises (Pvt.) Ltd. | |
| Memberships / Chairmanships of committees across public companies | Audit Committee | Audit Committee |
| | • Transport Corporation of India Ltd. | • Transport Corporation of India Ltd. |
| | • Castrol India Ltd. | • Castrol India Ltd. |
| | • Peerless Gen. Fin. & Inv. Co. Ltd. | • Peerless Gen. Fin. & Inv. Co. Ltd. |
| | • Rabo India Finance Limited | • Rabo India Finance Limited |
| | • Tata Trustee Company Ltd. | • Tata Trustee Company Ltd. |
| | • Bhoruka Power Corporation India Ltd. | • Bhoruka Power Corporation India Ltd. |
| | Shareholders'/Investors' Grievance Committee | Shareholders'/Investors' Grievance Committee |
| | • Castrol India Ltd. | • Castrol India Ltd. |
| | • IL & FS Investment Managers Ltd. | • IL & FS Investment Managers Ltd. |
| Shareholding in the Co. (no. of shares) | NIL | 930* |



Transport Corporation of India Limited

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 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 17th Annual General Meeting of the Company to be held on Thursday ,the 26th July, 2012 at 11.00 A.M. 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.....2012

Affix
Rupee 1/-
Revenue
Stamp

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.



Transport Corporation of India Limited

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 | |
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| Client ID* | |
|------------|--|

| | |
|--------------------|--|
| No. of Shares held | |
|--------------------|--|

I hereby record my presence at the 17th 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 Thursday, the 26th July, 2012 at 11.00 A.M.

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

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

* Applicable for shareholders holding shares in electronic form.

NOTE:

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

C O R P O R A T E I N F O R M A T I O N

1. Board of Directors

| Sl. No. | Name of the Director | Designation |
|---------|-------------------------|-----------------------------------|
| 1 | Mr. S. M. Datta | Chairman |
| 2 | Mr. D. P. Agarwal | Vice Chairman & Managing Director |
| 3 | Mr. S. N. Agarwal | Director |
| 4 | Mr. K. S. Mehta | Director |
| 5 | Mr. O. Swaminatha Reddy | Director |
| 6 | Mr. R. V. Raghavan | Director |
| 7 | Mr. Ashish Bharat Ram | Director |
| 8 | Mr. M.P. Sarawagi | Director |
| 9 | Mr. Vineet Agarwal | Joint Managing Director |
| 10 | Mr. Chander Agarwal | Executive Director |

2. Group CFO & Company Secretary

Mr. A.K. Bansal

3. Statutory Auditors

R. S. Agarwala & Co.

(Chartered Accountants)

4. Bankers

State Bank of India Limited

HDFC Bank Limited

HSBC (Hongkong & Shanghai Banking Corporation Limited)

Citi Bank N.A.

Standard Chartered Bank

5. Registrar & Share Transfer Agent

M/s Abhipra Capital Limited

Ground Floor, Abhipra Complex, Dilkhush Industrial Area,
A-387, G T Karnal Road, Azadpur, Delhi-110033

Phone: +91-11-30900300, 23414629

Fax: +91-11-23414503

6. Corporate Office Address

TCI House, 69 Institutional Area

Sector-32, Gurgaon-122 207

Tel. +91-124-2381603-07 Fax +91-124-2381611

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

Website: www.tcil.com

7. Registered Office Address

Flat Nos. 306 & 307, 1-8-201 to 203, 3rd Floor,

Ashoka Bhoopal Chambers, S. P. Road,

Secunderabad-500003

Phone: +91-40-27840104

Fax: +91-40-27840163

E Mail: ak.bansal@tcil.com, secretarial@tcil.com

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

Awards & Recognition

Jamnalal Bajaj
Uchit Vyavahar
Purskar for
Fair Business Practices
Award 2011

India
SCM & Logistics
Summit &
Award 2011 By Gateway
Knowledge Forum

Effective Retail
Through Supply
Chain to TCI-Supply Chain
Solutions by
Asia Retail Congress
2011

7th Reid & Taylor Award
for Retail Excellence – Effective
Retail Through Supply Chain

Indian supply Chain
Excellence Awards
2012 – Warehouse Services
Provider of the year by
Indian Chamber of Commerce

5th Customer &
Brand Loyalty Award
in the “3PL /
Supply Chain Sector”

Best CSR Award
in the Logistic-2011
by Wockhardt Foundation

Indian Supply Chain
Excellence Awards
2012-Road Transporter
of the year by
Indian Chamber of Commerce

Mahindra Navistar Transport
Excellence Awards 2011
– National winner for
Not-for-Profit-Entity-
Accepting No Limits
to TCI Foundation



Transport Corporation of India Limited

TCI House, 69 Institutional Area, Sector-32, Gurgaon-122207

Phone: +91-124-2381603 to 607 • Fax: +91-124-2381611 • Website: www.tcil.com

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APPEAL TO SHAREHOLDERS

The Ministry of Corporate Affairs (MCA) vide its circular Nos.18/2011 dated 29.04.2011 and 17/2011 dated 21.04.2011 has notified "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies through electronic mode. Companies are now allowed to send various notices / documents/Annual Report to its shareholders via electronic mode at the registered E-mail ID of such shareholders. To support this green initiative of the Government in full measure, members are requested to register their E-mail ID with the Company at designated E-mail ID of the Company i.e. secretarial@tcil.com or with Depository through their concerned Depository Participants.



Where quality drives the way

Delivering quality is not an act; it's a habit at TCI. As India's leading logistics and supply chain solutions provider, TCI has been continuously setting new benchmarks of quality because it firmly believes that quality is the key to take a lead in business. With a revenue of INR 20 Billion (Approx. \$ 400 Million USD), expertise developed over five decades, customer-centric approach and world-class resources, TCI offers seamless multi-modal logistics solutions and moves 2.5% of India's GDP by value.

TCI is also a part of World Economic Forum's Community of Global Growth Companies (GGC). TCI's membership at GGC is a reflection of its consistent growth, its potential and its initiative to build global business and exemplary executive leadership.

The Vision to deliver high quality

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

The Values to make a qualitative difference

TCI abides by its **CORE** values: Customer Focus, Ownership, Responsiveness and Empathy - a value system that guides our business work ethics and beliefs for future growth and development.

TCL Group Overview

Lineage

- Started as a 'one man, one office, one truck' company in 1958
- Became a private limited company in 1965 and a public limited in 1974 with shares listed on National Stock Exchange and Bombay Stock Exchange

Market Position

- Today, TCL is India's leading integrated logistics and supply chain solutions provider
- Continuous and strategic diversification in value added and new areas of logistics
- Expansion into newer areas with TDL, a real estate arm of the Group TCL undertaking development of warehouses and logistics parks, among others

Pan India Network

- Strong distribution network provides access to large & growing aftermarket
- 1000+ company owned branches nationwide & 13,000 delivery locations within India.
- Transporting 2.5% by value and covering 99.45% by areas of India's GDP.

Best-in-Class Operations

- Fleet of 7,000 trucks/trailers
- 9.25 Mn sq. ft of warehousing space
- Skilled work force of more than 5,000 with 20,000 outsourced positions

Strong IT Forte

- In-house ERP: EDI Capable
- Web based Track and Trace through GPS

Joint Ventures

- Transystem International Pvt. Ltd. (TLI): A joint venture between TCL and Mitsui & Co. Ltd. which is the sole logistics partner for Toyota Kirloskar Motors Ltd. in India
- Infinite Logistics Solutions Private Ltd.(ILSPL): A Joint Venture Company with CONCOR for bulk multi-modal logistics solutions by rail and road

Ratings and Certifications

- ICRA: A1+ for short term debt / CP programme
- CRISIL: AA-/stable for long terms.
AA-/stable for cash credit limits
P1+ for bank guarantee.
- ISO 9001:2008
- IATA certified

Key Financial Ratios (Standalone)

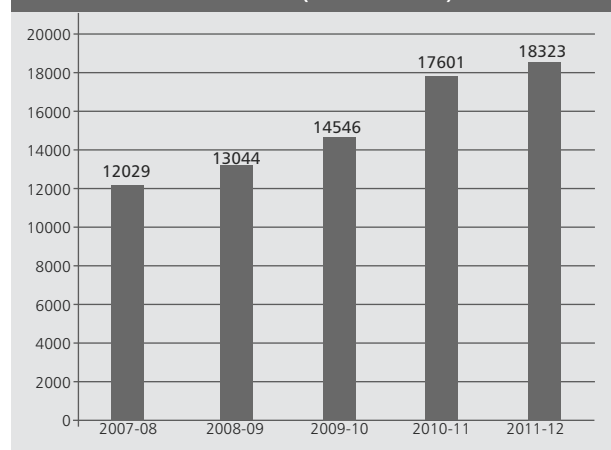
(Rs. In Mn)

| Particulars | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|---------------------------------------|---------|---------|---------|---------|---------|
| Total Income | 18323.0 | 17601.4 | 14546.1 | 13044.2 | 12029.0 |
| EBIDTA | 1488.7 | 1378.1 | 1139.5 | 990.0 | 807.9 |
| Finance Cost | 332.8 | 257.0 | 195.6 | 240.8 | 168.3 |
| Depreciation & Amortisation | 378.6 | 320.6 | 267.6 | 259.8 | 207.8 |
| Profit before Tax & Exceptional Items | 777.2 | 800.5 | 676.3 | 489.4 | 431.8 |
| Exceptional Item | 40.0 | 0.0 | 29.2 | 40.0 | 0.0 |
| Taxes | | | | | |
| Current | 212.0 | 224.4 | 203.4 | 147.2 | 109.9 |
| Deffered | 8.2 | 17.0 | 9.2 | 0.2 | 18.7 |
| FBT | 0.0 | 0.0 | 0.0 | 18.6 | 18.5 |
| Taxes for earlier years | -1.5 | 45.8 | -4.7 | 0.2 | 0.4 |
| Net profit | 518.4 | 513.2 | 429.8 | 283.2 | 284.3 |
| Cash profit | 905.2 | 850.9 | 706.6 | 543.2 | 510.8 |
| Dividend per share (In Rs.) | 1.0 | 0.9 | 0.8 | 0.6 | 0.6 |
| EPS (In Rs.) | 7.1 | 7.1 | 5.9 | 3.9 | 3.9 |

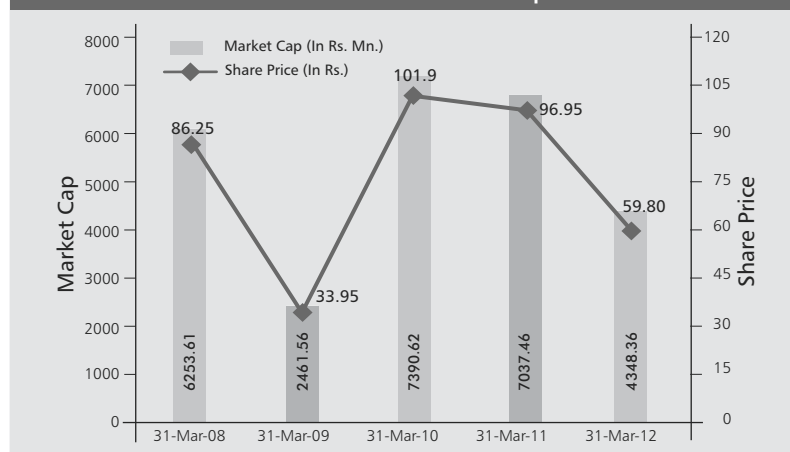
FINANCIALS

| | | | | | |
|-------------------------------|--------|--------|--------|--------|--------|
| Gross Block | 5706.7 | 4997.5 | 4417.8 | 4132.3 | 3901.3 |
| Net Block | 3800.4 | 3301.1 | 3092.9 | 2982.8 | 2875.9 |
| Net Worth | 3459.8 | 3008.5 | 3084.6 | 2714.0 | 2484.3 |
| Total Debts | 3220.3 | 3011.3 | 2716.3 | 2329.0 | 2290.3 |
| Avg Capital Employed | 6663.3 | 6211.1 | 5710.7 | 5189.5 | 4417.0 |
| Return on Net Worth | 14.98% | 17.06% | 13.93% | 10.43% | 11.44% |
| Return on capital employed | 16.66% | 17.03% | 14.76% | 14.07% | 13.58% |
| Debt Equity Ratio (times) | 0.9 | 1.0 | 0.9 | 0.9 | 0.9 |
| Interest cover (times) | 4.5 | 5.4 | 5.8 | 4.1 | 4.8 |
| Book value per share (in Rs.) | 47.6 | 41.4 | 42.5 | 37.4 | 34.3 |
| Share capital | 145.4 | 145.2 | 145.1 | 145.0 | 145.0 |

Revenue (Rs. in mn.)



Share Prices and Market Capitalization



VCMD's Message



Dear Shareholders,

As India's leading integrated logistics and supply chain solutions provider, we have been crossing major milestones on the road to success since the beginning. Over the years, with a professionally-managed team of experts, technologically advanced operations, qualitative and value-added services and a commitment to customer satisfaction, we have witnessed a quantum growth in our business. Today, we enjoy the status of being leaders in logistics.

Since we believe that quality plays an indelible role in building a company, we have made quality our never-ending mission. We strive to achieve quality in all our business processes, services, manpower and facilities. Quality has been the cornerstone of our success which has stood us in good stead for the last 5 decades.

The year gone by has been a difficult one for the entire industry. The overall micro as well as macro environment where we operate in was challenging. Though the country has the second largest network of roads (4.24 million km after US's 6.43 million km), the second largest rail network (63,000 km), 128 airports, 13 major ports and 187 non-major ports, this infrastructure is not sufficient to deliver optimum quality. The industry has attracted only limited private investments, that too more recently following privatization. As a result, the Indian logistics industry accounts for a mere 2 per cent (USD 100 billion) of the USD 5,000 billion global logistics industry. Further, owing to general inefficiencies, logistics is a high-cost activity in India (13% of GDP compared to 8-9% of GDP in the US).

Delays in the implementation of regulatory changes like financing the maintenance of transport infrastructure, managing urban congestion, supply chain disruption on account of poor rural connectivity, coupled with high interest rates are some of the many issues which have been affecting the whole industry adversely. The urgent needs of the hour are to strengthen the competitive and regulatory environment, grant an industry status to the segment, focus on infrastructure development and create a skilled workforce pool for the logistics business.

While looking at the brighter side, I am sure things will change with the government's 12th Five Year Plan of USD 1 trillion of investment in infrastructure development and a strong commitment towards providing conducive regulations, rationalization of tax structures and proposed introduction of GST. All these are promises of a favourable environment, in which the sector can flourish.

Despite all the challenges, we managed to achieve a modest improvement in our results over that of last year. All our business divisions operated and responded optimistically. We took many measures to sustain our past performance. We continued to provide unique and customised solutions to our clients. We did not compromise on quality deliverables and as a result we managed to add many new businesses to our kitty.

Each division has taken initiatives to improve operational efficiencies and provide our clients with quality deliverables. Introduction of All Purpose Vehicle Carrier (APVC), state-of-the-art warehousing facilities, an extensive domestic network of offices, global expansion, advanced IT capabilities, strategic JVs and expansions into newer markets are some of the many initiatives taken by us to further strengthen our position as leaders in the industry.

Information Technology represent the corporate backbone helping converge all group operations on a single platform, while enhancing business intelligence and customer relationship management. We are poised to invest Rs. 50 crore on Information Technology in the next five years. All these initiatives are results of our continuous endeavour to provide best-in-class customer centric services.

We firmly believe in thought leadership and continuously seek solutions from all stakeholders to better the state of the sector. In our endeavour to achieve thought leadership, TCI in association with IIM-Calcutta, released the second edition of the Joint Study Report on the 'Operational Efficiency of National Highways for Freight Transportation in India'.

On the CSR front, we have ensured that the work towards making a meaningful difference in people's life should never stop. Our vocational training centre in Jhamhar near Ranchi, has seen two batches of women completing their training in handloom weaving and we are pleased to learn that it has started contributing to their income. As a part of our intervention on disaster relief, we started construction of houses for the victims affected by the cloudbursts in Ladakh's Leh area. The new houses have been built and handed over to the victims.

TCI Jaipur Foot and Rehabilitation Center in Patna has now been equipped with a mobile workshop which can cater to about 100 patients at any point of time. It is a big relief for people residing in remote areas and who are unable to come to our main centre can still avail of the treatment.

Looking forward:

With all the ingredients of success; dedicated people, world-class infrastructure, innovative systems and right business strategies in place, we at TCI are poised to meet the demands of a growing industry and deliver consistent results for which we are known for.

At TCI, we aim to capitalize on growing national opportunities by venturing into new business segments and growing our existing segments. As the Supply Chain Solutions (TCI SCS), Express Division (TCI XPS) and Freight divisions continue to drive revenues, we will further strengthen their core competencies in the coming years. Forging ahead, we believe that high GDP growth, implementation of GST and infrastructure investments by the government will give a new boost to the logistics sector.

I am grateful to my fellow Directors on the Board and the members of the Management Committee for their support. I would also like to extend a special thanks to each and every shareholder of TCI, whose trust and confidence have been the motivating force in all our endeavours. I thank all our customers and business associates in India and abroad for their unstinted loyalty and steadfast patronage of our services. Finally, a word of thanks to more than 5000 employees of TCI who are making these successes happen. I am extremely proud of their high level of commitment to the company and their outstanding performance over this period and have full confidence in their ability to deliver even greater success going forward.

D P Agarwal
Vice Chairman & Managing Director

Mr. D P Agarwal is the Vice-Chairman and Managing Director of TCI. Mr. Agarwal has been associated with the industry for more than 47 years. He has been contributing in developing the unorganised logistics sector into an organised one. Mr. Agarwal holds Directorships in Boruka Power Corporation and Jai Bharat Maruti Ltd. Mr. Agarwal is also associated with various Chambers of Commerce including CII, FICCI & PHDCCI. He also takes active participation in many social and philanthropic activities for the common good.



Mr. D P Agarwal
VC & MD



Mr. Ashish Bharat Ram
Non-Executive Independent Director

Mr. Ashish Bharat Ram is the Managing Director of the SRF Group based out of India. He did his schooling from the Doon School following which he completed his Bachelor of Economics from University of Delhi. He subsequently worked for Toyota Motor Corporation in Japan as well as American Express Bank in India before completing his MBA from Cornell University in USA. On his return, he joined the SRF Group and worked in various functions and locations before taking over in his present assignment. Mr. Bharat Ram is a member of the Young Presidents Organization (YPO) Delhi Chapter



Mr. M P Sarawagi
Non-Executive Director

Mr. M P Sarawagi has been associated with the Company for the past 48 years. He possesses rich experience in the legal and commercial aspects of the transport industry. Mr. Sarawagi has also served/presently serves on the Boards of Boruka Finance Corporation of India, Boruka Investments, Orissa Tyres, Calcutta Goods Transport Association, All India Motor Union Congress and several other cultural associations. He is a Graduate in Law from the Calcutta University.



Mr. Vineet Agarwal
Joint Managing Director

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



Mr. Chander Agarwal
Executive Director

Mr. Chander Agarwal is the Executive Director of TCI. Diligent in nature, he has toiled his way through all levels of TCI since he joined as a management trainee. Mr. Agarwal has held various finance and management roles in other group companies / divisions like TCI Seaways, XPS etc. His hands-on experience with Transfreight USA, a 3PL specializing in 'lean logistics' for Toyota Motor vehicles, USA, has given him unmatched knowledge of the Supply Chain Management. Currently, he is spearheading Group TCI's international expansion.

Management Discussion and Analysis

Industry Overview

The Indian logistics industry is expected to grow at 15 to 20% per annum, reaching revenues of \$385 billion by 2015. It has generated employment for 45 million people. The demand for focused supply-chain services has been fuelled by industries with a high propensity to outsource: automobiles, consumer packaged goods, hi-tech, telecom and retail amongst others. The movement of basic commodities, domestically and globally, has led to an increase in multi modal and bulk transportation and to the emergence of many new ports and port-related services providers.

Source : Cushman and Wakefield

Industry Structure

India currently spends 12-13% of its GDP on logistics. For the sectors moving physical products this percentage is much higher because 55% of India's GDP is generated by the service sector. The industry as a whole is very fragmented and disorganized.

Roads

India has an extensive road network of 4.24 million km– the second largest in the world. The National Highways have a total length of 70,934 km and serve as the arterial road network of the country. It is estimated that more than 60 per cent of freight and 85 per cent of passenger traffic in the country is being handled by roads. While Highways / Expressways constitute only about 2 percent of the length of all roads, they carry over 40 per cent of the road traffic leading to a strain on their capacity. Roads serve as the dominant modes of transport in India due to greater coverage and higher flexibility in terms of door-to-door delivery giving it an edge over other modes of transport.

Railways

Rail is an environment-friendly, safe & secure mode of transport in India. It boasts of the second largest rail network in the world, yet its share in goods transportation is much less compared to the share of roadways.

The progress of railways' ambitious USD 22 billion Dedicated Freight Corridor (DFC) project will assist in attaining the achieved GDP growth during the 12th Five-Year

Plan (2012-17). The logistics sector would be greatly benefitted and achieve higher efficiency if the Indian Railways is successful in implementing its plans for improved speed of freight trains, up-gradation of rolling stock, improved signaling and communication systems setting up additional container depots and rationalization of the freight rates to remove distortions.

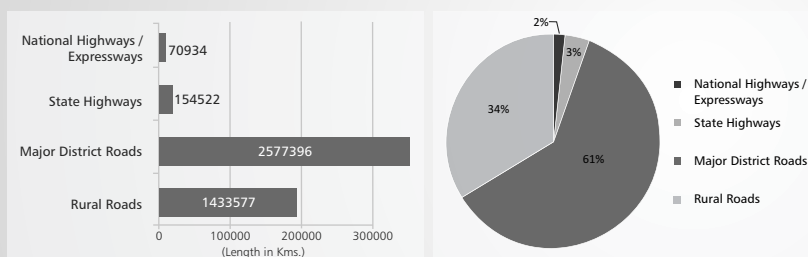
Air Cargo

The Indian air cargo segment is becoming one of the important links in the country's economic growth and is expected to grow by 8.5% per year for the next 5 years. Even though currently India accounts for a meager 3% of the size of the world air cargo market which is estimated at 27 million tonnes valued at USD 200 billion, India has extremely promising geographical features to position itself as an international air cargo hub. However, issues like inefficient cargo handling, transshipment infrastructure and dwell time reduction need to be addressed to enhance the potential of the sector.

Ocean / Port Sector

Ports provide an interface between the ocean transport and land-based transport. They represent a promising sector for India, given the country's 7500 km long coastline, robust economic growth, abundant raw material, cost-competitive workforce and a strategic location on the trade map. India's port infrastructure constitutes 13 major ports and 187 non-major ports. Of the non-major ports, only about 48 are operational; while the rest are only fishing

Length and percentages of different categories of highways/roads



India has the second largest road network in the world with a road length of 4.24 million km. A lack of co-ordinated planning intra state border issues, cumbersome documentation, bureaucracy and corruption leaves the average speed of trucks at only 21km/hr. Hence a truck can cover only 300-500 km/day versus double this figure in developed countries. While India's road freight volumes are increasing at a compounded annual growth rate (CAGR) of 9.08% and the population of vehicles (all types) is increasing at a CAGR of 10.76%, the road length is increasing at a CAGR of only 4.01%, indicating the paucity of roads. Moreover, roads are of poor quality, resulting in slow speed of vehicles, break-downs and accidents.

Source : TCI-IIMC Joint Study on Operational Efficiency of Freight Transportation by Road in India, 2012.

Indicative break-up of freight handled in the country

| (mn tonnes) | FY 05-06 | FY 06-07 | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 |
|--------------|----------|----------|----------|----------|----------|----------|
| Rail freight | 667 | 728 | 794 | 850 | 910 | 1025 |
| Road freight | 1,353 | 1,478 | 1,612 | 1,726 | 1,875 | 2,046 |
| Sea freight | 424 | 464 | 519 | 530 | 561 | 570 |
| Air freight | 1.4 | 1.55 | 1.71 | 1.7 | 1.9 | 2.1 |

Source: Industry data, IDFC-SSKI Research and Cushman and Wakefield

harbours. The 13 major ports are administered by the Central Government through the Ministry of Shipping, and non-major ports are under respective state governments.

Source: Transport Research Wing - MORTH

Third Party Logistics (3PL)

Third Party Logistics (3PL) is a business dynamic of growing importance all over the world. The factors related to transport infrastructure have adversely affected the logistics network in the country - both in terms of lead-time and costs. This is one of the key areas that need to be deliberated upon for such an initiative to succeed. Warehousing, inbound and outbound transportation, custom clearing and forwarding are the most frequently outsourced activities.

Warehousing

Warehouses are increasingly becoming key growth drivers in the logistics industry. Apart from conventional storing services, warehouses are now providing value-added services like consolidation and breaking up of cargo, packaging, labelling, bar coding and reverse logistics etc. Warehousing and related activities account for approx. 20% of the total logistics industry.

Logistics Parks

About 110 logistics parks spread over approximately 3,500 acres at an estimated cost of \$1 bn will be operational in the near future. Logistics parks benefit users by providing cost saving through economies of scale, shared multiple facilities & services under one roof. Availability of large land parcels at low cost, connectivity to multiple markets and industrial clusters has led to tier 2 and 3 cities as favoured destination for logistics parks and warehouses.

Challenges

According to a Fitch report, financing the maintenance of transport infrastructure, managing urban congestion, supply chain disruption on account of poor rural connectivity are some of the major challenges hampering the growth of the industry. The report projects that while India may be able to offer cost advantages due to lower labour or production costs, these effects could easily be offset by higher transport costs resulting from inadequate transport infrastructure.

Growth Drivers

The acceleration in industrial production and changes in consumption patterns have resulted in a high demand for basic and specialized logistics management, both at the local and cross border levels.

The impending change in the Indian tax system from the current state-level Value Added Tax (VAT) to a national and uniform Goods and Services tax (GST) should help to create a national market for many goods and services. The logistics sector is likely to respond by making more use of the hub and spoke systems, large scale warehousing and specialized services. A gradual opening up of key sectors like retail, aviation, defense etc. will also help boost the sector. The entry of multinational companies (MNCs) in sourcing, manufacturing and distributing could be the other growth drivers.

Future

In order to support the country's growing needs, there are several areas where the logistics industry needs prompt action. Some of the key priorities are :

- Comprehensive National Logistics Policy: Currently, the various components of logistics (surface transport, railways, shipping, air, commerce, finance) are all separate entities. There is a need to drive policy in a synchronized manner.
- Logistics infrastructure development : Investment into alternative traffic modes to road, particularly rail and coastal shipping, will not only ease traffic congestion but also bring down costs and minimize carbon emissions.
- Skill development: With growing complexity in managing supply chains and changing demands, there is a need to create focused and sustained skill enhancement and training programs.

There are several other areas like technology adoption, policy simplification for trade facilitation amongst others that require constant attention and focus. It is important for all key stakeholders to realize that the growth of the logistics industry will directly support the growth and development of India.

Divisional Overview

Revenue : Rs. 7850.8 mn.

Growth : -3.03%

Contribution to total revenue : 42.87%

EBIDTA : Rs. 320.8 mn.



Key expertise

Complete solutions: TCI Freight offers comprehensive multimodal transport solutions for cargo of any dimension or type. TCI Freight delivers a complete solution to its customers right from the FTL (Full Truck Load) to LTL (Less than truck load) to small packages, over dimensional & rail cargo.

Rich experience: Over the last five decades, with its strong infrastructure and skilled manpower, it has satisfied a diverse clientele by providing total logistics support. Its vast experience is a result of handling clients from different sectors like FMCG, Public Sectors, Engineering, Pharma and Chemical Sectors, amongst others.

Multimodal transportation: TCI set up its rail vertical in 2011-12 to provide end to end solutions via Road-Rail network thereby offering customers secure and cost effective services. TCI has also forayed into the multimodal containerized segment to cater to new markets. TCI Freight is offering this service from various sectors like north to north, north to south and south to east.

TCI Freight has also started a dedicated cargo express train connecting South to North East India. The average transit time for covering the distance has been reduced to 4-6 days. This cost effective solution provides customers with door to door pick up and delivery through an effective Road-Rail combination for all types of cargo.

Customer-Centric Solutions & Key Account Management: With its fully computerised operations supported by GPS-enabled vehicles, the customers can track movement of their goods 24X7. A dedicated customer care cell ensures that queries and issues from customers across India are addressed effectively and quickly. TCI Freight offers a single window solution to its clients through the Key Account Management set up, which operates 24X7 for managing the information flow and tracking the cargo movement.

Overview of 2011-12

- To ensure profitability in the business, TCI Freight discontinued financially unviable businesses. The division is confident that the move will be fruitful in the long run as the resources will be better utilised for new and profitable clients.
- Payments terms were rationalised with almost all the clients to ensure reasonable amount of operational cash flow.
- Processes were centralised for greater efficiency keeping in mind the importance of providing smooth deliveries to clients.
- TCI's rail business has seen considerable growth in the last one year since its launch and is currently engaged in container, parcel and bulk rail transportation.

Outlook for 2012-13

Due to its excellent services, TCI Freight has retained its customer base and is planning to explore new segments including rail and ODC. This will surely add numbers during this financial year. With payments terms rationalised, a good amount of cash flow will help the division function smoothly.

TCI aims to sustain the growth momentum of its rail business by offering customised container services and end to end logistics service including in-bound transportation, warehousing, value added services in warehousing, freight forwarding and out-bound transportation.

To increase the customers' base and penetration into new sectors, TCI Freight has planned to conduct customer meets across India in 2012-13.

Divisional Overview

Revenue : Rs. 4951.2 mn.

Growth : 7.79%

Contribution to total revenue : 27.02%

EBIDTA : Rs. 435.1 mn.



EXPRESS DISTRIBUTION SPECIALISTS

Domestic | International

Key expertise

- **Customised Solutions:** Customers' needs are increasing day-by-day and so are their expectations. To further strengthen its customers' base and expectations, TCI XPS has been changing itself and adapting new processes. Inspired by the rule "Follow the Customer", it offers customised solutions to meet the growing needs of its customers.
- **Multimodal services :** Owing to the infrastructural limitations of the industry, multimodal transportation is a ground reality. However, the biggest challenge is to use it effectively and efficiently in order to deliver optimum results. The efficient use of the surface and air transportation model has enabled TCI XPS to deliver better services to its clients.
- **Key Account Management:** With a host of world-class services and a customer-centric approach, TCI XPS ensures that its clients feel delighted every day, every time. A dedicated one-point contact system has been implemented for key accounts to ensure 100% customers' satisfaction.
- **Diverse Portfolio:** A diverse portfolio of clients provides an extensive knowledge on various industries which in turns helps grow businesses. The TCI XPS client base is from almost all sectors – Pharmaceutical to IT, Chemical to Fashion, Auto to Heavy Industry.
- **Value Added Services:** The logistics industry operates with certain limitations but TCI XPS walks an extra mile to reduce those limitations in order to deliver services as per the clients' needs. The Diplomat Service is one of the examples through which it delivers even to non service locations. The Holiday Service ensures that urgent deliveries reach on time even if it's a holiday.
- **Priority Express Delivery with Money Back Guarantee :** The division takes pride in giving priority to its clients' priorities. Priority Services are available from Priority Network Booking Branches to Priority Network Delivery Branches. The shipments are delivered within a time frame of 24 and 48 hours across 140 locations with a promise of Money Back.

Overview of 2011-12

- In the FY 2011-12, the division focussed on strengthening the internal operations and processes to get maximum output. To enhance the efficiency and performance of its hub centres, it installed new technologies, systems and processes.
- To set up a centralised monitoring system at all hub centres, it installed CCTV cameras and upgraded its technologies which has enabled it to handle equipment more efficiently.
- Introduction of customised MIS for clients has simplified the division's processes. Now, a customer is just a click away from any information through the company's portal.
- Multi-location dispatch became a reality with various pick points for a single customer which can be monitored from anywhere through a centralised system.
- De-centralization of touch points like customer care contact has helped consumers get response in the local language and by the local staff. However, the toll free number remains one for all India.
- Many new locations have been added to cover more destinations for its customers.
- As a marketing initiative, a new campaign was launched in leading business magazines with a theme on "Whenever. Wherever". The task was to establish a perception of timely delivery to maximum locations.

Outlook:

The division hopes that 2012-13 would be a better year as the initiatives taken during 2011-12 will help achieve the desired growth. Further upgradation of technologies with focus on barcodes will be a priority in the current year. Brand building exercise is being planned on a major scale and the division is hopeful that this would help in strengthening the brand. To achieve customers' satisfaction, the key accounts management process will be further strengthened and priority services will be extended to more areas for higher reach to customers.

Divisional Overview

Revenue : Rs. 4505.1 mn.

Growth : 14.52%

Contribution to total revenue : 24.58%

EBIDTA : Rs. 542.6 mn.



Key Expertise

Solutions Provider to diverse industries: TCI SCS provides solutions and specialized services to discerning sectors like Auto, Retail and Consumer Products, Hi-Tech, Chemicals, Life Sciences & Health Care and Cold Chain.

Complete services bouquet: It offers a complete array of Supply Chain and Logistics services - from Supply chain Consultancy covering network design to actual Implementation covering production logistics, warehousing / distribution centre management to outbound logistics.

TCI SCS is also the single window enabler for all Group TCI services for large clients and conglomerates.

Logistics Asset Base: A countrywide network of 9.25 mn square feet of owned and leased warehouses with own storage and material handling infrastructure and a 1000+ own fleet and dedicated vendors, with 24x7 tracking gives an iron grip on operations till the last detail.

Brand-enhancing clients: TCI-SCS enjoys an association with the indian and global MNC's including Bajaj Auto, General Motors, HeroMoto Corp, Maruti Suzuki, Tata Motors, Toyota, Volkswagen, Coca Cola, Café Coffee Day, Hindustan Unilever, Samsonite, Samsung etc.

Professional team management: A matrix and flat organization structure enables fast flow of information and countermeasures. At the customer end the Key Account Management (KAM) team is responsible and enabled for

single-window services. The division possesses a domain of specialists in their field of supply and demand chain.

Adequate safety measures: The safety of man, machine, material is practiced across all facilities and services. The division conducts Health Safety & Environment (HSE) audits by an onboard team of HSE Specialists and also practices Road Transport Health Safety Security and Environment (RTHSSE).

Overview, 2011-12

- While the industrial growth and sentiment has been weak, the division has achieved a robust growth through its high-value verticals, viz Auto, Hi-tech and Retail.
- The division has achieved an operating profit (EBIDTA) of 12% with a growth of 23% over the previous year.

Outlook

The division foresees a difficult year in terms of the economy and policy reforms. The division is however optimistic and geared up to meet the opportunities and challenges of the next fiscal. It is hopeful that policy reforms like GST, FDI etc will spur growth and create opportunities for the sector.

Increasing efficiency, competitiveness and cost control for strong operations and incubation of new business segments will be a priority for the year 2012-13.

Divisional Overview

Revenue : Rs. 243.3 mn.

Growth : -49.54%



Key expertise

Single-window advantage: TCI Global provides a single window advantage to its customers across all major South East Asian countries through a dedicated network of international offices in the region besides having strategic presence in high growth and emerging markets like Brazil (Latin America). TCI Global offers its customers end to end services ranging from customs clearance, international inbound and outbound freight handling (air and sea), primary and secondary warehousing/ redistribution, third party logistics, multimodal (air, surface and sea) services, ODC movements and project cargo.

Global Presence: TCI Global has 6 International offices at Singapore, Thailand, Indonesia, Malaysia, Vietnam, and Brazil.

Diverse product and customer mix: It handles all kinds of cargo (perishable, valuables, odd-size and general) and products (documents, automobiles, pharmaceuticals, consumer goods, power equipment, garments, agricultural and non-agricultural goods, among others).

Licensing and certification: It holds licenses at eight different ports for custom clearance and has tie-ups with agents in over 157 countries worldwide. Certified by IATA, it ensures reliable and globally-acclaimed services for its clients.

Overview 2011-12

- Started mission critical outbound logistics operations in Brazil with a dedicated Key Account Management System.
- Reduced operations in domestic and international low margin businesses.

Outlook

The division is firm to expand its customer base in the FY 2012-13. Moving ahead, the focus will be on getting new global contracts, widening vendor agreements, increasing people strengths and by reinforcing its position as an end to end integrated logistics player and further strengthening its position in SE Asia, Latin America and Africa.

Divisional Overview

Revenue : Rs. 883.6 mn.

Growth : 27.10%

Contribution to total revenue : 4.82%

EBIDTA : Rs. 161.8 mn.



Key Expertise

Well-maintained Fleet: TCI Seaways ensures timely deliveries for any FCL (Full Container Load) or LCL (Less than Container Load) shipment. It has 1200 TEU and five vessels.

Skilled workforce: It has a consortium of skilled professionals and technicians - offshore and onboard who are well versed with the latest technologies to provide best-in-class services to the clients.

High service level and retention of customers: By providing highly cost-effective services liner/chartering/agency, project handling and stevedoring, TCI Seaways delivers integrated logistics solutions to any business, effortlessly. It has an excellent reputation amongst its clients, for handling time sensitive cargoes. With an accident-free track record of more than 15 years, the division attends every feedback with sincerity and redresses all grievances up to its customers' level of satisfaction.

Better Time Management: TCI Seaways firmly believes in delivering on time logistics solutions. With effective services and a strong coastal network, it offers 'just in time' delivery to all its customers, all the time.

Overview of FY 2011-12

- The shipping industry witnessed a static phase in the year under review.
- TCI Seaways witnessed a growth rate of 27.30%. This was possible with acquisition of one ship in July 2011.
- The division sold one older ship to minimise operational costs.
- The 50:50 JV with Ann Sofie Scan ApS ceased operations and was closed.
- Well-planned dry-dock schedules helped TCI Seaways in improving the revenue generation and minimising repair costs.

Outlook

The division plans to add another ship to its fleet to start operations on the west coast of India and also plans to dispose of older tonnage which is costly to operate. By adapting new pricing policy and upgrading the level of services, it is all set to compete with new entrants and explore bigger opportunities in the industry.

Quality Driver: IT

The logistics industry is dominated by the unorganised sector and penetration of technology is almost negligible. Every logistics company needs to adopt an efficient identification technology, like Bar-coding and Radio Frequency Identification that save a lot of time and money in foot printing and tracking consignments and shipments.

With the adoption of a right and efficient technology in place, a logistics company can substantially reduce operational expenses. These technologies help in reducing the lead time and facilitate express distribution, reduce manual errors, and enable enterprises to set-up a lean cost structure for efficient working models.

In the era of globalisation, IT plays a vital role in integrating all business operations to a single platform, while enhancing business intelligence and customer relationship management. TCI's IT capabilities deliver a complete web-based solution to customers, facilitating consignment tracking, order booking and other facilities in addition to streamlining all the internal processes.

Overview 2011-12

- Enhanced IT investments by 15% over the last year.
- Developed automail generated reports, a push system that made it possible to send all reports at the ends of the day to respective mail boxes.
- Executed bar-coding for divisions wherever needed.
- Trained employees through regular training programmes on a monthly basis.

Outlook

The company is poised to invest Rs. 50 crore in the next five years to upgrade its Information Technology. It will implement the barcode system across all the divisions of the group. It also plans to implement data warehousing and disaster recovery centers for conducting sophisticated business modeling and information generation.

Quality Driver: HR

As TCI operates in a people driven industry, 'people' – be it internal (employees) or external (customers) have always been the top priority and key drivers of TCI's success. Recruitment, training and development of its human resource are some of the key processes that help TCI grow continuously. Sourcing the right candidates, engagement, development and retention of intellectual capital is a vital management exercise. TCI's human capital constitutes a diverse pool of knowledge – a judicious mix of youth, imagination, risk-taking ability and seasoned experience.

The key attributes of Human Resource Management at TCI

- Carefully designed management development programmes aimed at leadership development and enhancing personal & professional skills.
- With a strong retention policy, the attrition rate is lower than the industry average.
- While at entry level, candidates are recruited through campus selection, mid and senior level positions are filled up through internal postings. It provides employees opportunities to move up in the company.
- Training is given due importance to ensure that all employees at every level undergo required training.
- With the cross functional posting, people are encouraged to hone more skills apart from their core competencies.

- The long service award is given as a part of the retention policy.
- A sound and established appraisal system ensures desired fair performance appraisal & satisfaction level at all positions.
- A premier consultancy firm was engaged to redesign and strengthen the induction programme.
- Fast track career growth programme was launched to identify and groom employees for future leadership positions.
- Our value system CORE that guides our work ethics has become a part of all training programme so that employees can imbibe the basic philosophy of our company.

Outlook:

The company is continuously developing new ways to get effective and efficient HRM processes. Owing to the increasing market demand, continuous training, spotting talent at the early stage, developing and grooming talent for future roles are given due importance to meet the changing organisational needs of the future. The company also plans to launch a mentor programme under which talented young professionals will be attached to senior officials who will mentor and guide their growth and development.

Corporate Social Responsibility



"Life is one long opportunity
to be good and to do good"

- Late Shri P D Agarwal

Late Shri P D Agarwal, the Founder of TCI was a strong believer in the motto that life is one long opportunity to be good and to do good. All the work that goes on in TCI under Corporate Social Responsibility is firmly etched in this philosophy. The year gone by has been fruitful in terms of scale and new initiatives in the area of Corporate Social Responsibility.

Health

Truckers Programme

TCI Foundation (TCIF) added another feather in its cap in December last year by bagging the first ever Mahindra Navistar Transport Excellence Award under the NGO category – '**Accepting No Limits**', for the Project Kavach. Mahindra Navistar Transport Excellence Award is the first ever initiative taken on such a grand scale to recognize and reward Outperformance, Excellence, Innovation and Leadership in the Indian Trucking Industry.

In 2011-2012, TCIF as TSG covered approximately 4 million Long Distance Truckers (LDT) through various Behaviour Change Communications like Inter Personal Communication (IPC) session and mid media activities.

Following are the key achievements of the project in FY 2011-2012:

- Total truckers reached through mid media coverage i.e. Film shows, street shows, health games etc: 16,49,021
- Total Interpersonal communications coverage through 2,02,453 sessions: 23,07,165
- Out of 6,56,747 footfalls at the Khushi Clinics total of 5,71,711 truckers were treated.
- Total of 61681 truckers were tested at the (Integrated Council and Testing Centres) ICTC out of which 607 were tested positive.

- Total of 308 HIV positive truckers were linked to nearby Antiretroviral therapy (ART) centres.
- Through various condom vending machines, traditional outlets & nontraditional outlets identified around the intervention sites a total of 94,28,811 condoms have been sold through social marketing.

BMGF funded project 'Kavach'

Out of 15 kavach project interventions, TCIF has successfully transitioned 10 interventions to NACO. Through this, TCIF has successfully transferred key learnings from its intervention experience to the government and other key stakeholders.

Project 'Khushi' Replicated

In 2010-2011, Hindustan Petroleum Corporation Ltd. (HPCL) as part of their CSR initiative under Project Suraksha to improve the health seeking behaviour of long distance truckers, with the expertise of TCIF has replicated the Khushi Clinic Model of TCI Foundation in two of its Junction outlets:

- Hosur in Tamil Nadu
- Ravulapalem in Andhra Pradesh

In 2011-2012, HPCL extended its reach by opening two more clinics at the following junction outlets:

- Satara in Maharashtra
- Sikandra in Uttar Pradesh

Through this initiative, last year alone, TCIF reached out to 11,640 truckers and provided treatment to 2,328 unique long distance truckers on the NH-2, NH-4 & NH-5.

Road safety week in association with SIAM

Integrated road safety training modules and health camps were organized by TCIF in association with Society of Indian Automobile Manufacturers (SIAM) from 5th-9th January 2012 at 10 locations across India. TCIF reached out



to 851 long distance truckers through road safety training in the Transshipment locations and through Health Camps reached out to 1875 LDT. Total of 289 truckers were referred to nearby ICTCs. A special talk was facilitated on 'HIV & AIDS' prevention and care.

TCI's Workplace programme on HIV/AIDS

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

A module on HIV/AIDS awareness programme has been developed which is integrated with the overall training programmes of the TCI group. The staff of TCI get exposed to the training each time they go for training programmes in their core areas which are held in the three training centers of the group.

Dispensaries

The two dispensaries one each in Coimbatore and Port Blair are catering to the nearby villages around them. Basic services are provided free of cost.

Education

TCI DAV Public School

The school which was set up in 2005, in Khunti district, Ranchi, is growing slowly but surely. There is no denying the fact that it offers a lot of challenges in terms of the political vulnerability of the place and the fact that it is in the interior of Khunti district with problems of accessibility. The school organized its first annual sports day and annual function in February 2012.



Vocational Training Center

It's been two years since TCIF started the vocational training center called Jharcraft at Rachi, Jharkhand. Women, girls and boys are a part of the Vocational Training Center.

Two batches of women - each batch of about 20 women

have completed their training in handloom weaving.

TCIF entered into an MoU with NIIT Foundation to run the IT course in the center. About 50 students in two batches have completed their basic IT training accredited by NIIT Foundation. The students belong to the under privileged families in the villages in and around Jhamhar, the village in which the school and the Vocational training center are situated.

Disability

TCIF'S Artificial Limb Center

TCIF Jaipur Foot Center in Patna has completed four years in operation. It was set up to cater to and service the poor and provide artificial limbs, calipers and crutches. The center has serviced around 10,000 patients and has organised 22 camps since its inception.

The center has now been equipped with a mobile workshop which can cater to about 100 patients at any point of time.



Disaster Relief Assistance



Houses built by TCI handed over to the victims of cloud burst in Nimmo village in J&K.

TCIF has always responded to various situations of emergency by providing all that goes into an immediate relief kitty for victims of natural calamities.

When two cloudbursts hit Ladakh's Leh area in August 2010, washing away large parts of the town and wreaking havoc in a number of villages, TCI adopted a village - Nimmo in Leh which was the worst hit and started construction of houses for the victims. The houses have been re-built and handed over to the victims.

Risk Management

Industry Risk

Definition: Economic Slowdown may hamper company's performance.

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

Quality Risk

Definition: Poor Service may increase the competition risk.

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

Customer Concentration Risk

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

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

Liquidity Risk

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

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

Infrastructure Risk

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

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

Business Concentration Risk

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

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

Distribution Risk

Definition: An inadequate distribution network can affect growth.

Risk Mitigation: TCI has adequate distribution network which provides services at over 3,000 locations through its 1000+ fully computerized offices across the country, 5,000+ employees and 20,000 strong outsourced team in India and overseas, five cargo ships, 7,000 trucks and trailers under operation and 9.25 million sq ft of warehousing space.

Risk Management Model

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

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



DIRECTORS' REPORT

Dear Shareowners,

Your Directors are pleased to present the Seventeenth Annual Report of the Company together with the Audited Statement of Accounts and the Auditors' Report for the Financial Year ended 31st March, 2012.

Performance Overview

During the year ended 31st March, 2012, significant financial highlights are as under:-

(Rs. in mn.)

| Particulars | Consolidated | | Standalone | |
|--|----------------|----------------|------------------|-----------------|
| | 2011-12 | 2010-11 | 2011-12 | 2010-11 |
| Income | 19594.2 | 18563.9 | 18,323.00 | 17,601.4 |
| Profit before Finance Cost, Depreciation & Amortisation Taxation & Exceptional Item | 1621.1 | 1437.1 | 1488.7 | 1378.1 |
| Less: Finance Cost (Net) | 350.0 | 265.9 | 332.8 | 257.0 |
| Depreciation & Amortisation (Net) | 415.7 | 353.1 | 378.7 | 320.6 |
| Profit before Tax & Exceptional Item | 855.4 | 818.0 | 777.2 | 800.5 |
| Less: Exceptional Item | 0.0 | 0.0 | 40.0 | 0.0 |
| Profit before Tax | 855.4 | 818.0 | 737.2 | 800.5 |
| Less: Provision for Tax - Current | 258.9 | 254.9 | 212.00 | 224.4 |
| -Deferred | 5.0 | 16 | 8.22 | 17.0 |
| Profit after Tax | 591.5 | 547.2 | 517.0 | 559.0 |
| Taxes for earlier years | (1.9) | 46 | (1.46) | 45.8 |
| Share of (profit)/loss transferred to minority interest | (1.6) | (0.1) | 0.0 | 0.0 |
| Add: Balance in Profit and Loss brought forward | 180.4 | 189.7 | 82.5 | 75.4 |
| Profit available for appropriation | 775.4 | 691.0 | 600.9 | 588.6 |
| Appropriations: | | | | |
| - Interim dividend | 29.2 | 29.0 | 29.2 | 29.0 |
| - Proposed dividend | 49.5 | 40.2 | 43.6 | 36.3 |
| - Dividend Tax | 12.8 | 11.4 | 11.8 | 10.8 |
| - Tonnage Tax Reserve | 20.3 | 10.0 | 20.3 | 10.0 |
| - General reserve | 414.3 | 420.0 | 410.0 | 420.0 |
| Balance carried forward | 249.3 | 180.4 | 86.0 | 82.5 |
| | 775.4 | 691.0 | 600.9 | 588.6 |

On standalone basis, gross turnover during the year grew by 4.1% to 18,323 mn. Net turnover at 18,279.7 mn grew by 4%. Pre-tax profit decreased by -7.91% to 737.2 mn. Despite adverse market conditions, the Company has maintained its PAT for the year at Rs. 518.4 mn which is after absorbing an exceptional provision of Rs. 40 mn for losses / diminution in the value of equity investments in overseas JV/subsidiaries. Earning per Share for the year stands at Rs. 7.1. Cash flow from operations stood at 129.6 mn.

While on consolidated basis, total turnover during the year grew by 5.55% to 19,594.2 mn. Net turnover at 19,537.5 mn grew by 5.54%. Pre-tax profit increased by 4.58% to 855.4 mn. While post-tax profits at 595 mn recorded a growth of 18.69%. Earning per Share for the year rests at Rs. 8.19. Cash flow from operations stood at 307.3 mn.

General Reserve

Out of total profit of 518.4 mn on standalone basis for the financial year ended 31st March, 2012, an amount of Rs. 410 mn has been transferred to the General Reserves.

Dividend

Your Company has a consistent track-record of dividend payment. The Board of Directors of the Company had earlier approved payment of an interim dividend @ 20% on equity share of Rs. 2 each (Re. 0.40/- per equity share) amounting to Rs. 29.1 mn paid in the month of February, 2012. Further, your Board has recommended payment of final dividend @30% on equity share of Rs. 2 each (Re. 0.60 per equity share) for the year 2011-12. The payment of final dividend is subject to shareholders approval in the ensuing Annual General Meeting of the Company.

With this, the total dividend payout for the fiscal 2011-12 will be at 50% (Previous year @ 45%) on equity share of Rs. 2 each (Re. 1.00 per equity share) amounting to Rs. 72.72 mn on its paid-up equity capital of Rs. 145.4 mn.

Change in Capital Structure

During the year, following shares were issued due to exercise of options by employees under Employees Stock Option Scheme 2006 part-I, part-II and part-III of the Company;

- 71,820 equity shares allotted on June 21st, 2011.
- 54,750 equity shares allotted on July 19th, 2011.

Post this allotment, the outstanding issued, subscribed and paid up equity share capital stands increased from Rs. 145,177,240 to Rs. 145,430,380 as at March 31st, 2012.

Subsidiary Companies

Ministry of Corporate Affairs vide circular Nos. 02/2011 & 3/2011 dated February 8, 2011 & February 21, 2011 respectively had granted general exemption to holding companies from attaching copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the subsidiary companies to the Balance Sheet of the Company. In accordance with the said circulars, the Balance Sheet, Profit & loss Account & other documents of

the subsidiary companies are not being attached with the Balance Sheet of the Company.

The Company will make available annual accounts of the subsidiary companies and related detailed information to the shareholders of the Company who may be interested in the same.

The annual accounts of the subsidiary companies will also be kept open for inspection by any shareholders at the Registered Office of the Company and that of respective subsidiary companies.

Further, pursuant to Accounting Standard (AS)-21 prescribed under the Companies (Accounting Standards) Rules, 2006 and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI), Consolidated Financial Statements presented by the Company includes financial information of subsidiary(ies) / joint ventures of the company, which forms part of the Annual Report.

Abridged Annual Accounts

In accordance with SEBI Guidelines and Companies Act, 1956, abridged standalone and consolidated annual accounts for the year ended March 31st, 2012 are being circulated while detailed accounts will be made available on request and also at the venue of the Annual General Meeting.

Directors

During the year, Mr. Ashish Bharat Ram was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 effective from July 28th, 2011. He holds office up to the date of the ensuing Annual General Meeting. The Company has received notice from a member proposing his candidature as Non Executive Independent Director of the Company, liable to retire by rotation and accordingly, his candidature for appointment as a Director has been included in the Notice convening the Annual General Meeting.

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. S M Datta, Chairman, Mr. S N Agarwal and Mr. R V Raghavan retire by rotation at the ensuing Annual General Meeting, and Mr. S M Datta, Chairman and Mr. S N Agarwal being eligible, offer themselves for re-appointment.

In compliance with Clause 49(IV)(G)(i) of the Listing Agreement, a brief resume, nature of expertise & detail of directorships held in other companies of the directors proposing reappointment alongwith their shareholding in the Company, are furnished in the explanatory statement to the notice of the ensuing Annual General Meeting. Your Directors recommend their re-appointment.

Further, Mr. R V Raghavan, one of the retiring director, has expressed his inability to continue as director due to personal compulsions. Your board takes on record the appreciation for the services rendered by him during his tenure with the Company.

Further, since last Directors' Report, Mr. K Prabhakar has resigned from the Board of the Company. The Board places on record its gratitude for the services rendered by Mr. Prabhakar during his tenure as member of the Board.

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 and based on the information provided by the management, your directors state that:

- The applicable Accounting Standards have been followed along with proper explanations relating to material departures In the preparation of the annual accounts for the financial year ended March 31st, 2012;
- They 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 March 31st, 2012 and of the profit of the Company for the year under review;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- They have prepared the annual accounts on a going concern basis.

Auditors and Auditors' Report

The Statutory Auditors of the Company M/s. R S Agarwala & Co., Chartered Accountants, Kolkata, retire at the conclusion of the ensuing Annual General Meeting of the Company & have confirmed their willingness and eligibility for reappointment and have also confirmed that their reappointment, if made, will be within the limits stipulated under Section 224 (IB) of the Companies Act, 1956.

Further, M/s R S Agarwala & Co., Chartered Accountants, Bangalore, Branch Auditors of TCI Seaways, a Division of your Company, retire at the conclusion of the ensuing Annual General Meeting and they have confirmed their willingness and eligibility for reappointment and that their reappointment, if made, will be within the limits stipulated under Section 224 (IB) of the Companies Act, 1956.

In continuation, M/s K B Chitracar & Co., Chartered Accountants, Kathmandu, the Branch Auditors for branches situated in Royal Kingdom of Nepal, also retire at the conclusion of the ensuing Annual General Meeting and have confirmed their willingness and eligibility for reappointment and that their reappointment, if made, will be within the limits specified under Section 224 (IB) of the Companies Act, 1956.

The Board recommends their re-appointment for the next term.

Fixed Deposit

During the year under report, your Company has not received any fresh deposits.

The aggregate amount outstanding in respect of fixed deposits as on 31st March, 2012 is Rs. 4.48 mn against 32 fixed deposit holders. No amounts of deposits are pending unclaimed as on 31st March, 2012.

During the year the Company has repaid Rs. 2.17 mn in respect of 23 fixed deposit receipts.

Human Capital

The Company considers its employees to be the most valuable asset and is committed to providing conducive work environment to enable each individual employee to fully realize his or her potential. Continuous learning, updating HR systems in line with best practices and aligning rewards and recognition with performance have enabled the Company to sustain its reputation of a performance driven organization.

We focus on attracting, engaging and retaining our key resource i.e. employees. Employees are engaged at young age, undergo structured training, learn job requirement & groomed at different levels. Standard performance appraisal system encourages performance orientated work culture in our organization. Our reward and recognition programmes encourage internal competition among all employees & better performance. Preference is given to internal resources and most vacant positions are filled internally. We have engaged a premier HR consulting firm to strengthen our induction programme for young officers in the company, design & develop processes on identifying high potential employees and their career growth plan. We believe that these HR interventions will create leadership pipeline in organization.

Particulars of Employees

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is annexed and forms an integral part of this Report.

Internal Control System

The Company has in place adequate internal control systems commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, compliance with applicable statutes and safeguarding of assets of the Company. These systems ensure that transactions are executed in accordance with specified policies and resources are deployed as per the business plans and policies.

The Company has an in-house internal audit division and the head of internal audit function reports directly to the Audit Committee to ensure independence of this function.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Code of Conduct for prevention of insider trading and the Code for corporate disclosures are in force.

Listing

The equity shares of your Company continue to be listed on The Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company has paid annual listing fee for the financial year 2012-13 to BSE & NSE and annual custody fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares issued against stock options have been listed and trading permission has been granted by these stock exchanges.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, forms part of this Report.

Employees Stock Option Scheme

Your Company has established Employee Stock Option Scheme-2006 for its employees. Under the Scheme, during the year, 1,32,000 options in 2 tranches were vested with eligible employees of the Company. Out of above, 1,26,570 options were exercised by the employees. Accordingly, your Company allotted 1,26,570 Equity Shares to the employees as per following details:

| Date of allotment | Part I | Part II | Part III |
|------------------------------|--------|---------|----------|
| June 21 st , 2011 | 20,220 | 20,850 | 30,750 |
| July 19 th , 2011 | 17,400 | 10,350 | 27,000 |
| Total | 37,620 | 31,200 | 57,750 |

Furthermore, 2,75,000 options were granted by Remuneration Committee to entitled employees in their meeting held on 1st June, 2011 under the said Scheme vide Employee Stock Option Scheme IV.

The particulars as required under Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are annexed and forms part of this Report.

The certificate required under Clause 14 of the said Guidelines and as obtained from the Statutory Auditors with respect to the implementation of the Company's Employees Stock Option Scheme, 2006 shall be placed at the forthcoming Annual General Meeting.

Corporate Governance

Your Company fully adheres to the standards set out by the Securities and Exchange Board of India (SEBI) for Corporate Governance practices and has implemented all of its stipulations. TCI understands and respects its fiduciary role in the corporate world and besides adhering to the prescribed corporate practices, it voluntarily governs itself as per the highest national and international standards of Corporate Governance.

The Compliance Report on Corporate Governance and a certificate from Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of this

report.

Certificate of the CEO/CFO, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is attached to the Corporate Governance Report and forms part of this Report.

Corporate Social Responsibility Initiatives

Late Shri P. D. Agarwal, the Founder of TCI Group was of the strong belief that life was one long opportunity to be good and to do good. All the work that goes on in TCI under CSR is firmly etched in this philosophy. The year gone by has been fruitful in terms of scale and new initiatives in the area of Corporate Social Responsibility.

Vocational Training Centre

TCI Foundation (TCIF) started the vocational training centre in Jhamhar, near Ranchi, Jharkhand two years ago. Two batches of women each batch of about 20, have completed their training in handloom weaving.

TCIF entered into an MoU with NIIT Foundation to support us in running the IT course in the centre. About 50 students in two batches have completed their basic IT training accredited by NIIT Foundation. The students belong to the under privileged families in the villages in and around Jhamhar.

TCIF'S Artificial Limb Centre

Set up to cater and service the poor and provide artificial limbs, callipers and crutches, TCIF Jaipur Foot centre in Patna has completed four years in operation. The centre has serviced around 10,000 patients and has done 22 camps since its inception. The centre has now been equipped with a mobile workshop which can cater to about 100 patients at any point of time.

TCI DAV Public School

The school which was set up in 2005 is slowly but surely growing. There is no denying the fact that it offers a lot of challenges in terms of the political vulnerability of the place and the fact that it is in the interior of Khunti district with problems of accessibility. The school organized its first annual Sports Day and annual function in February 2012.

Dispensaries

The two dispensaries one each in Coimbatore and Port Blair are catering to the nearby villages around them. Basic services are provided free of cost.

Rehabilitation Activities in Leh, J&K

TCI had adopted a village by name Nimmo in Leh when it was hit by a cloud burst in August 2010 leaving the people of that village totally devastated. TCI handed over the houses that it built, to the victims of that calamity. The houses were handed over in the year 2011.

TCIF's Truckers Programme

TCI Foundation added another feather in its cap in December last year by bagging the first ever Mahindra Navistar Transport Excellence Award under the NGO category - 'Accepting No Limits', for the Project Kavach. Mahindra Navistar Transport Excellence Award is the first ever initiative taken on such a grand scale to recognize and reward Outperformance, Excellence, Innovation and Leadership in the Indian Trucking Industry.

In 2011-2012, TCIF as TSG covered approximately 40 lakhs Long Distance Truckers (LDT) through various Behavior Change Communications like Inter Personal Communication (IPC) session and mid media activities.

Following are the key achievements of the project in FY 2011-2012:

- Total truckers reached through mid media coverage i.e. Film shows, street shows, health games etc : 16,49,021
- Total Interpersonal communications coverage through 2,02,453 sessions : 23,07,165
- Out of 6,56,747 footfalls at the Khushi Clinics total of 5,71,711 truckers were treated at the Khushi Clinics.
- Total of 61,681 truckers were tested at the ICTC out of which 607 were tested positive.
- Total 308 HIV positive truckers were linked to nearby ART centres.
- Through various condom vending machines, traditional outlets & non-traditional outlets identified around the intervention sites total 94,28,811 condoms have been sold through social marketing.

BMGF Funded Project 'Kavach'

Out of 15 kavach project interventions, TCIF has successfully transitioned 10 interventions to NACO. Through this, TCIF has successfully transferred key learnings from its intervention experience to the government and other key stakeholders.

Suraksha Khushi project

In 2010-2011, HPCL as part of their CSR initiative under Project Suraksha to improve the health seeking behaviour of long distance truckers, with the expertise of TCIF, has replicated the Khushi Clinic Model of TCI Foundation in two of its Junction outlets:

- Hosur in Tamil Nadu
- Ravulapalem in Andhra Pradesh

In 2011-2012, HPCL extended its reach by opening two more clinics at the following junction outlets:

- Satara in Maharashtra
- Sikandra in Uttar Pradesh

Through this initiative, last year alone, TCIF reached out to 11,640 truckers and provided treatment to 2,328 unique long distance truckers on the NH-2, NH-4 & NH-5.

Celebrated Road Safety Week in Association with SIAM

Integrated Road safety trainings and health camps were organized by TCIF in association with Society of Indian Automobile Manufacturers (SIAM) from 5th - 9th January 2012 at 10 locations across India. TCIF reached out to 851 long distance truckers through road safety trainings in the transshipment locations and through Health Camps reached out to 1875 LDT. Total of 289 truckers were referred to nearby ICTCs. Special talk was facilitated on 'HIV & AIDS' prevention and care.

TCI's Workplace programme on HIV/AIDS

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

A module on HIV/AIDS awareness programme has been developed which is integrated with the overall training programmes of the TCI group. The staff of TCI gets exposed to the training each time they go for training programmes in their core areas which are held in the three training centers of the Group.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is forming part of this report.

Appreciation

Your Directors wish to take this opportunity to express their sincere gratitude for the valuable guidance and support rendered by the Central and State Governments, banks, financial institutions, business associates and various stakeholders, such as, shareholders, customers and suppliers, for their whole-hearted support and co-operation.

Your Directors would also like to place on record their deep and sincere appreciation for the hard work, dedication and unstinting efforts of your Company's employees to ensure that your Company reaches the pinnacle of success.

For and on behalf of the Board

Place : Gurgaon

S M Datta

Date : 30th May, 2012

Chairman

CEO/CFO Certification

The Board of Directors

Transport Corporation of India Ltd.

This is to confirm that:

- Financial statement and the cash flow statement for the year ended (consolidated and standalone) have been duly reviewed and that to the best of our information and belief: -
 - The statements do not contain any materially incorrect statement or exclude any material information or contain statements that might be deceptive;
 - The statements collectively present a realistic and fair status of the Company's affairs and are in conformity with existing standards, pertinent laws and rules.
- To the best of our knowledge and belief, no transactions have been entered into by the Company during the year which is deceitful, unlawful or in violation of the Company's code of conduct.
- We acknowledge accountability for setting up and preserving internal controls and that we have appraised the efficiency of the internal control systems of the Company and we have divulged to the auditors and the Audit Committee, discrepancies in the design or procedure of internal controls, if any, of which we are aware and the steps we have taken or recommend to take to set right these deficiencies.
- We have pointed out to the auditors and Audit committee:
 - Regarding noteworthy amendments in internal control during the year, whenever relevant;
 - That there were no considerable amendments in accounting policies during the period and that the same have been unveiled in the notes to accounts; and
 - That there were no occurrences of major scam of which we have become aware and the association therein, if any, of the management or a member of staff having such important role in the Company's internal control structure.
- We further assert that all members and senior managerial personnel have avowed observance with the code of conduct for the current year.

For Transport Corporation of India Ltd.

D P Agarwal

Vice Chairman & Managing Director

For Transport Corporation of India Ltd.

A K Bansal

Group CFO & Co. Secretary

Place: Gurgaon

Date : 30th May, 2012

ANNEXURES TO DIRECTORS' REPORT

I. PRESERVATION OF ENERGY, TECHNOLOGY ASSIMILATION, FOREIGN EXCHANGE EARNINGS AND OUTGO

a. STEPS TAKEN FOR PRESERVATION OF ENERGY

- We have continued our focus on improvement on the areas of warehousing handling and hub centre efficiency.
- Hand pallet trucks and pallets are provided in hub centres and major delivery centres. Energy saving equipments and lights of CFL has been used in hub centres.
- Long chassis vehicles have been engaged on long haul routes, resulting in fuel efficient movement of express cargo.
- On Technology front, we have converted Wi-Fi based hand handled scanning system, which in turn saved lot of manual hours.
- We are providing E-Pod to customers instead of hard copy of POD.
- We are engaging GPS enabled Vendor vehicles.
- Major hubs are under CCTV surveillance.
- All warehouses have 5-10% natural light provisions.
- All CRT Monitors have been replaced with LCD thus saving 70% of the power consumed in Monitors.
- Regular replacement and up gradation of fleet to higher capacity is bringing down our Energy / Ton by 3-5% and emissions by 5-10%.

- Paper conservation in offices has been extended to the operations with hand – held terminals being used for picking and put-away, thus saving paper across the logistics chain.

b. TECHNOLOGY ASSIMILATION:

IT keeps all stakeholders in tune with business needs & information. IT solutions are driving force for all supply chain management functions. Auto EDI (Electronic Data Interchange) option is very much adopted to faster the process and minimize/eliminate the errors & gaps. Most of the Associates / Business Partners / Customers use Electronic Data Interchange (EDI) facility for electronic transmission of data thus optimising effective overheads. Novel logistics solutions have facilitated conservative logistics companies to employ newer and enhanced practices of transportation of their services resulting in client contentment, immediate information availability & MIS, maintenance as well as new customer acquirement. With mobility application gaining impetus, this sector will become more customer centric & inventive in terms of providing instantaneous information of consignment movement during the supply chain cycle.

c. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in mn)

| Particulars | FY 2011-12 | FY 2010-11 |
|---------------------------|------------|------------|
| Foreign Exchange Outgo | 382.09 | 320.92 |
| Foreign Exchange Earnings | 141.06 | 122.59 |

II. Information as required u/s 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

| Sl No | Name /Qualification | Age | Title/ Nature of Duties | compensation (in Rs.) | Exp. (in Yrs.) | Date of Joining | Previous employment/ position held |
|-------|--|-----|---|-----------------------|----------------|-----------------|------------------------------------|
| 1 | Mr. D.P. Agarwal* B.Com. | 62 | Vice-Chairman & Managing Director, Overall Management | 34,323,442 | 47 | 10.04.1996 | VC&MD, TCI Industries Ltd |
| 2 | Mr. Vineet Agarwal* B.Sc. (Econ.) | 38 | Jt. Managing Director, General Management | 25,663,752 | 16 | 01.04.1996 | Executive, TCI Industries Ltd. |
| 3 | Mr. Chander Agarwal* B.Sc. in Business Admin. | 33 | Executive Director, General Management | 26,904,335 | 10 | 01.11.2002 | - |

*Nature of service contractual as per the terms of engagement.

Remark: Compensation declared above include inter-alia, value of perks and other benefits as per provisions of the Income Tax Act, 1961 and Rules made thereunder and Company's contribution to Provident Fund but does not comprise of Gratuity paid or contribution made to Gratuity Fund.

III. Information pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31st March 2012

| | Particulars Part I | ESOS 2006 Part II | ESOS 2006 Part III | ESOS 2006 Part IV | ESOS 2006 |
|--------------|--|---------------------------------|-------------------------------|---------------------------------|------------------------|
| a. | Number of options granted | 1,00,000 | 1,08,000 | 2,00,000 | 2,75,000 |
| b. | The Pricing Formula discount on Market Price | 52.63% discount on Market Price | 50% discount on Market Price | 48.47% discount on Market Price | 44.44% |
| c. | Number of options vested | 1,00,000 | 64,800 | 60,000 | - |
| d. | Number of options exercised | 88,800 | 63,000 | 57,750 | - |
| e. | Total number of shares arising as a result of exercise of options | 88,800 | 63,000 | 57,750 | - |
| f. | Number of options lapsed | 11,200 | 1,800 | 2,250 | - |
| g. | Variation in the terms of options | NA | NA | NA | NA |
| h. | Money realised by exercise of options (in Rs.) | 39,96,000 | 18,90,000 | 34,65,000 | - |
| i. | Total Number of Options in force | - | 43,200 | 1,40,000 | 2,75,000 |
| j. | Employee-wise details of options granted to: | | | | |
| (i) | Senior managerial personnel | Options granted | Options granted | Options granted | Options granted |
| | Mr. K. Prabhakar, Director* | 10,000 | 10,000 | 10,000 | - |
| (ii) | Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year | | | | |
| | 1. Mr. O. P. Jain, CEO -** TCI Freight Division | 10,000 | 10,000 | 10,000 | - |
| | 2. Mr. Jasjit Sethi, CEO - TCI SCS Division | 10,000 | 10,000 | 25,000 | 35,000 |
| | 3. Mr. P. C. Sharma, CEO - TCI XPS Division | 10,000 | 10,000 | 25,000 | 35,000 |
| | 4. Mr. H.S. Bhatia, CEO -** TCI Global Division | 10,000 | 10,000 | 15,000 | 20,000 |
| (iii) | Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | None | | | |
| k. | Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 (in Rs.) | 7.10 | | | |

| | | | | | |
|---|--|-------------|-----------|-----------|----------|
| I. | The impact on the profits and EPS of the fair value method is given in the table below - | (In Rs.) | | | |
| | Profit as reported | 518,428,078 | | | |
| | Add - Intrinsic Value Cost | 75,54,401 | | | |
| | Less - Fair Value Cost | 91,79,057 | | | |
| | Profit as adjusted | 516,803,422 | | | |
| | Earning per share (Basic) as reported | 7.13 | | | |
| | Earning per share (Basic) adjusted | 7.07 | | | |
| | Earning per share (Diluted) as reported | 7.10 | | | |
| | Earning per share (Diluted) adjusted | 7.07 | | | |
| m. Weighted average exercise price of Options whose | | | | | |
| (a) | Exercise price equals market price | Nil | Nil | Nil | Nil |
| (b) | Exercise price is greater than market price | Nil | Nil | Nil | Nil |
| (c) | Exercise price is less than market price (In Rs.) | 45.00 | 30.00 | 60.00 | 50.00 |
| Weighted average fair value of options whose | | | | | |
| (a) | Exercise price equals market price | Nil | Nil | Nil | Nil |
| (b) | Exercise price is greater than market price | Nil | Nil | Nil | Nil |
| (c) | Exercise price is less than market price | 57.24 | 34.96 | 68.407 | 51.91 |
| n. | Method and Assumptions used to estimate the fair value of options granted during the year: | | | | |
| | The fair value has been calculated using the Black - Scholes Option Pricing model | | | | |
| | The Assumptions used in the model are as follows: | | | | |
| | Date of grant | 23-May-08 | 21-May-09 | 19-May-10 | 1-Jun-11 |
| | 1. Risk Free Interest Rate | 7.91% | 5.28% | 6.01% | 8.30% |
| | 2. Expected Life | 2.22 | 2.22 | 2.22 | 2.18 |
| | 3. Expected Volatility | 55.24% | 58.26% | 60.19% | 48.88% |
| | 4. Dividend Yield | 1.40% | 0.88% | 0.85% | 0.82% |
| | 5. Price of the underlying share in market at the time of the option grant (in Rs.) | 95.00 | 59.75 | 116.45 | 92.10 |

* Mr. K Prabhakar ceased to be Director effective from 30.09.2011.

** Since ceased to be in employment with the Company.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an important tool for enhancing stakeholder value on a sustainable basis & creating wealth for organization. With the increasing complexity in business of organizations, sound governance practices are indispensable to build and sustain trust in all its stakeholders. The recent global phenomenon like the financial melt down, mega corporate failures and frauds have heightened the Corporate Governance practices and need for transparency and strong business ethics.

We, at Transport Corporation of India Limited (TCI), are committed to build and adopt best governance practices and its adherence in the true spirit, at all times. The governance practices followed by your Company have played a vital role in its journey of continued success. All the procedures, policies and practices followed by your Company are based on sound governance principles. Comprehensive disclosures, structured accountability in exercise of powers, adhering to international standards and commitment in compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. Our governance philosophy rests on following key principals, viz.,

- Board's accountability to the Company and stakeholders,
- Equitable treatment to all shareholders,
- Strategic guidance and effective monitoring by the Board,
- Protection of minority interests and rights,
- Timely disclosure of material facts to all stakeholders,
- Accuracy & transparency in disclosures.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. In terms of Clause 49 of the Listing Agreement executed with the stock exchanges, the detailed Corporate Governance Report of TCI is as follows:

BOARD OF DIRECTORS

The Board of your Company constantly endeavors to set goals and targets aligned to the Company's vision. The Board also defines Company's policy and oversees its implementation in attaining their goals. The details of each

member of Board along with number of Directorships/ Committee Memberships and date of joining of the Board are provided in this report.

(A) Composition of Board:

- As on 31st March, 2012, the Board of Directors comprised of ten Directors, out of which 70% are Non Executive directors. The Company has five Independent Directors, two Non Executive Directors and three Executive Directors with considerable experience in their respective fields.
- The composition of the Board is in conformity with Clause 49 of the Listing Agreement.
- All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Clause 49 of the Listing Agreement.
- None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director.
- All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than fifteen public companies.
- All Non Executive Directors are liable to retire by rotation. The appointment of the Managing Directors, including the tenure and terms of remuneration are also approved by the members. The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings.
- The Board reviews the declaration made by the Vice Chairman & Managing Director and Group CFO & Company Secretary of the Company regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non compliance.
- The Vice Chairman & Managing Director and Group CFO & Company Secretary of the Company have certified to the Board in accordance with Clause 49 V of the Listing Agreement pertaining to CEO and CFO certification for the Financial Year ended March 31st, 2012.
- The names and categories of the Directors on the Board, their attendance at Board Meetings/Annual General

Meeting (AGM) held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in companies are given herein below. Directorships do not include alternate directorships & Section 25 companies. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/ Investors Grievance Committees.

| Name & Designation of Director | Category | No. of Board Meetings Attended | Attendance in Last AGM (28.07.2011) | No. of Directorship (Including TCI) | | Committee Positions Held | |
|---|------------------------------------|--------------------------------|-------------------------------------|-------------------------------------|---------|--------------------------|----------|
| | | | | Public | Private | Member | Chairman |
| Mr. S. M. Datta (Chairman) | Independent Non-Executive Director | 4 | Yes | 14 | 02 | 05 | 03 |
| Mr. D. P. Agarwal (Vice Chairman & Managing Director) | Executive Promoter Director | 4 | Yes | 05 | - | 01 | 01 |
| Mr. Vineet Agarwal (Joint Managing Director) | Executive Promoter Director | 4 | Yes | 04 | 03 | 05 | - |
| Mr. Chander Agarwal | Executive Promoter Director | 4 | Yes | 04 | 16* | 01 | - |
| Mr. S. N. Agarwal | Non-Executive Director | 2 | Yes | 05 | 11 | 02 | 01 |
| Mr. O. Swaminatha Reddy | Independent Non-Executive Director | 4 | Yes | 08 | 05 | 01 | 05 |
| Mr. K. S. Mehta | Independent Non-Executive Director | 3 | No | 05 | 01 | 01 | 03 |
| Mr. R. V. Raghavan | Independent Non-Executive Director | 3 | Yes | 03 | - | 01 | - |
| Mr. M. P. Sarawagi | Non-Executive Director | 3 | Yes | 04 | 05 | - | - |
| Mr. Ashish Bharat Ram** | Independent Non-Executive Director | 2 | NA | 07 | 08* | 01 | 01 |
| Mr. K. Prabhakar*** | Non-Executive Director | 0 | No | NA | NA | NA | NA |

* Includes Foreign Companies

**Mr. Ashish Bharat Ram was appointed as an Additional Director by the Board of Directors of the Company with effect from 28th July, 2011.

*** Mr. K. Prabhakar ceased to be Director effective from 30.09.2011.

(B) Board Meetings:

- The day to day business conducted by the executives and business heads of the Company under the direction of the Board led by Vice Chairman & Managing Director.
- The Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. However, in

case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the next Board meeting.

- The agenda for the Board / Committee meetings is generally accompanied by background notes and other material information which is circulated to Directors in advance to facilitate discussion for taking an informed decision.
- The proceedings of the meetings of the Board and its

Committees are recorded in the form of minutes and the draft minutes are circulated to the Board within next two days for their perusal & comments.

- The important decisions taken at the Board / Committee meetings are communicated to the concerned departments/divisions promptly.

During the year under review, your Board met 4 times. The details of Board Meetings held during FY 2011-12 are as under:

| Sl. No. | Date of Board Meeting | City | Board Strength | No. of Directors Present |
|---------|-----------------------|-----------|----------------|--------------------------|
| 1. | June 01, 2011 | Gurgaon | 10 | 8 |
| 2. | July 28, 2011 | Hyderabad | 10 | 8 |
| 3. | November 01, 2011 | Gurgaon | 10 | 9 |
| 4. | February 02, 2012 | Gurgaon | 10 | 8 |

(C) Code of Conduct

The Board has laid down a Code of Conduct for all directors & senior management personnel of the Company in accordance with the requirement under Clause 49(I)(D) of the Listing Agreement. The Code is applicable to all Board members and executives who are designated at senior levels. The Code of Conduct is available on the website of the Company i.e., www.tcil.com.

All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2012. The declaration to this effect signed by Mr. D. P. Agarwal, Vice Chairman & Managing Director of the Company forms part of the report.

(D) Code of Conduct for Prevention of Insider Trading

The Board of Directors has also adopted a Code of Conduct for Prevention of Insider Trading in accordance with the Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008.

All the Directors, Senior Management Personnel and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company, are covered under the said code. Under the Code, the Directors, their relatives, Senior Management Personnel, designated employees etc. are restricted in dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company.

(E) Whistle Blower Policy

The Audit Committee and the Board have adopted a Whistle-Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and

make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no employee of the Company has been denied access to the Audit Committee.

(F) Board Business

The normal business of the Board includes:

- Strategies for shaping of portfolio and direction of the Company and in corporate resource allocation;
- Corporate annual plan and operating framework;
- Quarterly business performance reports;
- Board remuneration policy and individual remuneration packages of Directors;
- Convening a Meeting of shareholders of the Company, setting the agenda thereof and ensuring that a satisfactory dialogue with shareholders takes place;
- Declaration / recommendation of dividend;
- Review of functioning of the Board and its Committees;
- Review of functioning of the subsidiary companies;
- Annual review of accounts for adoption by shareholders;
- Quarterly and annual results announcements;
- Merger, acquisition, joint venture or disposals, if any;
- Recruitment and remuneration of senior management;
- Litigation review including materially important show cause, demand, prosecution and penalty notices;
- Fatal or serious accidents or dangerous occurrences;
- Any materially significant effluent or pollution

problems;

- Details of any joint venture or collaboration agreement;
- Significant labour issues and their proposed solutions;
- Significant development in the human resources and industrial relations fronts;
- Risk evaluation and control;
- Details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Compliance with all relevant legislations and regulations.

(G) COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

The Board has currently established the following statutory and non-statutory Committees:

(G) (I) AUDIT COMMITTEE

- The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- The terms of reference of the Audit Committee are broadly as under:
 - Overseeing the Company's financial reporting process and
 - Disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
 - Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services;
 - Reviewing with management the quarterly financial results before submission to the Board;
 - Reviewing with management the annual financial statements before submission to the Board;
 - Reviewing with management the quarterly / annual financial statements of the subsidiary companies;
 - Reviewing with management, external auditors and internal auditors, the adequacy of internal control systems;
 - Reviewing the adequacy of internal audit function;
 - Discussing with internal auditors any significant finding and reviewing the progress of corrective actions on such issues;
 - Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and then reporting such matters to the Board;
 - Discussing with external auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
 - Reviewing the Company's financial and risk management policies; and
 - Examining reasons for substantial default in the payment to shareholders (in case of non-payment of declared dividends) and creditors, if any.
- The Audit Committee invites such of the executives, as it considers appropriate, particularly the head of the finance function, representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- The previous Annual General Meeting of the Company was held on July 28th, 2011 and was attended by Mr. O Swaminatha Reddy, Chairman of the Audit Committee.
- Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:
 - 1st June, 2011
 - 28th July, 2011
 - 1st November, 2011; &
 - 2nd February, 2012

The composition of the Audit Committee and the details of meetings attended by its members are given below:

| Name | Category | No. of Meetings during the year | |
|------------------------------------|---------------------------------|---------------------------------|-----------|
| | | Held | Attendent |
| Mr. O. Swaminatha Reddy (Chairman) | Independent, Non- Executive | 4 | 4 |
| Mr. K. S. Mehta | Independent, Non- Executive | 4 | 3 |
| Mr. S. M. Datta | Independent, Non- Executive | 4 | 4 |
| Mr. S. N. Agarwal | Non-Independent, Non- Executive | 4 | 2 |

(G) (II) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

- The Board of Directors of the Company has constituted the Shareholders/Investors Grievance Committee. The Committee is entrusted with the responsibility to address the shareholders and investors complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. and ensures an expeditious share transfer process in line with the proceedings of the Share Transfer Committee.
- The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent of the Company, and also provides continuous guidance to improve the service levels for investors.

- Efforts are made to resolve all complaints/queries at the earliest possible. The Company has a proven track record of NIL Complaint Status as affirmed by NIL Complaint Status Letters received from both the Stock Exchanges i.e. NSE & BSE on quarterly basis.
- During the financial year ended 31st March, 2012, the Committee met four times on 1st June, 2011, 28th July, 2011, 1st November, 2011 and 2nd February, 2012.
- Mr A K Bansal, Group CFO & Company Secretary, is the Compliance Officer of the Company.

The details as to the composition of the Shareholders/Investors Grievance Committee, date(s) on which the meetings were held and the attendance of the members of the Committee during the financial year ended are as follows:

| Name of the Member | Category | No. of Meetings | |
|----------------------------|---------------------------------|-----------------|-----------|
| | | Held | Attendent |
| Mr. K. S. Mehta (Chairman) | Independent, Non- Executive | 4 | 3 |
| Mr. S. N. Agarwal | Non-Independent, Non- Executive | 4 | 2 |
| Mr. Vineet Agarwal | Executive, Promoter Director | 4 | 4 |

(G) (III) COMPENSATION/REMUNERATION COMMITTEE

- The Remuneration Committee comprises of three Directors, out of them two are Independent Directors.
- The broad terms of reference of the Remuneration Committee are as under:
 - To approve the annual remuneration plan of the Company.
 - To approve the remuneration and commission/

incentive remuneration payable to the Executive Directors each year

- Granting of new plans under Employee Stock Option Scheme-2006
- Such other matters as the board may think fit from time to time & request the Remuneration Committee to examine and recommend/approve.

The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

| Name of the Member | Category | No. of Meetings | |
|--------------------------|---------------------------------|-----------------|-----------|
| | | Held | Attendent |
| Mr. S M Datta (Chairman) | Independent, Non- Executive | 1 | 1 |
| Mr. O Swaminatha Reddy | Independent, Non- Executive | 1 | 1 |
| Mr. M P Sarawagi | Non-Independent, Non- Executive | 1 | 1 |

Remuneration Policy

- The remuneration of the Executive Directors is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro economic review on remuneration packages of heads of other organisations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1st, annually.
- A sitting fee of Rs. 15,000/- for attendance at each meeting of the Board and Rs. 10,000/- for Audit Committee, Shareholders' / Investors' Grievance Committee & Remuneration Committee is paid to its Members excluding Executive Directors & those members who have voluntarily chosen not to take any sitting fee. The sitting fees paid/payable to the non-whole-time Directors is excluded whilst calculating the above limits of remuneration in accordance with Section 198 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.
- The remuneration by way of commission to the non-executive directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and certain Committee meetings as well as time spent on matters other than at meetings. The Members had, at the Annual General Meeting held on July 28th, 2011, approved the payment of remuneration by way of commission to the non-whole-time directors of the Company, of a sum not exceeding 0.50 per cent per annum of the net profit of the Company computed in the manner laid down in Section 349 & 350 of the Companies Act, 1956, for a period of 5 years commencing April 1st, 2011.
- Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

Details of Remuneration of Executive Directors for the financial year ended 31st March, 2012

| Name of Director | Salary (Rs.) | Sitting Fees (Rs.) | Commission (Rs.) |
|---------------------|--------------|--------------------|------------------|
| Mr. D. P. Agarwal | 26,523,442 | - | 7,800,000 |
| Mr. Vineet Agarwal | 21,763,752 | - | 3,900,000 |
| Mr. Chander Agarwal | 17,004,335 | - | 3,900,000 |

Details of Remuneration of Non- Executive Directors for the financial year ended 31st March, 2012

| Name of Director | Salary (Rs.) | Sitting Fees (Rs.) | Commission (Rs.) |
|-------------------------|--------------|--------------------|------------------|
| Mr. S. M. Datta | - | 110,000 | 400,000 |
| Mr. S. N. Agarwal | - | Nil | 400,000 |
| Mr. O. Swaminatha Reddy | - | 110,000 | 400,000 |
| Mr. K. S. Mehta | - | 105,000 | 400,000 |
| Mr. R. V. Raghvan | - | 45,000 | 400,000 |
| Mr. M. P. Sarawagi | - | Nil | - |
| Mr. K. Prabhakar | - | - | - |
| Mr. Ashish Bharat Ram | - | 30,000 | 400,000 |

Notes:

- The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fees and/or payment of commission to them. The Company is paying fees to a firm of legal consultants of which a Non-Executive Director is a proprietor/partner.
- Mr. S. N. Agarwal did not accept any sitting fees while Mr. M. P. Sarawagi has chosen not to take any sitting fee/ commission voluntarily.
- Except Mr. S. N. Agarwal and Mr. M. P. Sarawagi who hold 930 and 10,930 equity shares through their relative, respectively, no other non-executive director holds any shares as on 31st March 2012.
- Mr. Ashish Bharat Ram was appointed as an Additional Director by the Board of Directors of the Company with effect from 28th July, 2011.

- Mr. K. Prabhakar ceased to be Director effective from 30.09.2011.

(G) (IV) Share Transfer Committee

- The Share Transfer Committee is formed exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures.
- The Committee comprises of two executive directors & and one non executive director of the Board.
- It considers applications for transfer, splitting up, consolidating share certificates and to order for cancellation of any share certificate and comply with provisions in this regard.
- The Committee meets every fortnight to approve the share transfers and other related matters in co-ordination with Abhipra Capital Limited, the Company's Registrar and Transfer Agent.

The composition of the Share Transfer / Transmission is given below :

| Sl. No. | Name of the Member | Category |
|---------|--------------------|---------------------------------|
| 1. | Mr. D P Agarwal | Executive, Promoter Director |
| 2. | Mr. Vineet Agarwal | Executive, Promoter Director |
| 3. | Mr. M P Sarawagi | Non-Independent, Non- Executive |

(G) (IV) FINANCE COMMITTEE:

- The Company has a Finance Committee to deal with some matters of highest importance whenever, due to some exigencies, holding a Board meeting is not possible.
- The terms of reference of the Committee covers the following:
 - To consider un-audited financials for the 1st & 3rd Quarter
 - To consider & approve Financial proposals from Banks/FIs –for both term loans as well as working capital, within permissible limit.
 - Such other issues as may be delegated by Board, from time to time.

SUBSIDIARY COMPANIES

- The Company does not have any material non-listed Indian subsidiary company falling under the criteria as

defined under Clause 49 of the Listing Agreement and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company.

- There were no strategic investments made by the Company's non-listed subsidiaries during the year under review.
- The Financial of the non-listed subsidiaries are placed before the Audit Committee on quarterly basis.
- The minutes of the subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies.
- The performance of its subsidiaries is also reviewed by the Board periodically.

GENERAL BODY MEETINGS

(I) Annual General Meetings

| Details | Date | Time | Venue |
|--------------------------------|-----------------------------|------------|--|
| Annual General Meeting 2008-09 | 22 nd July, 2009 | 11.00 A.M. | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 |
| Annual General Meeting 2009-10 | 21 st July, 2010 | 11.00 A.M. | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 |
| Annual General Meeting 2010-11 | 28 th July, 2011 | 11.30 A.M. | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 |

(II) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2011-12.

(III) Postal Ballot

No Postal Ballot was conducted during the year 2011-12.

(IV) Special Resolutions

At the Annual General Meeting of the Company held on July 28th, 2011, a Special Resolution was passed for the payment of commission to the non-whole-time Directors of the Company, for a period of five years commencing from 1st April, 2011 and authorizing the Board to determine the amount upto 0.50% of Net Profits of the Company. The resolution was passed with the requisite majority.

DISCLOSURES

- **Disclosures on materially significant related party transactions**
 - Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Note No. 26 to the Notes to the Accounts as stipulated under Accounting Standard 18 (AS-18), with the Promoters, Directors or the Management, their subsidiaries or relatives etc.
 - All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.
- **Details of non-compliance(s) by the Company**
 - The Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India on matters related to Capital Markets or any other matter, as may be applicable from time to time.

- There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

- **Disclosure of Accounting Treatment**

- The Company follows Accounting Standards prescribed by the Institute of Chartered Accountant of India and relevant provisions of the Companies Act, 1956.
- In preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standards.

- **Risk Management**

- The Company manages risks as an integral part of its decision making process.
- The Audit Committee and the Board of Directors are regularly apprised regarding key risk assessment and risk mitigation mechanisms.

- **Management Discussion and Analysis**

Detailed section on Management Discussion and Analysis is forming part of this annual report

MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as result announcement, annual report, media releases, Company's website and subject specific communications.

- **Quarterly Results**

The quarterly results are published in accordance with the

requirements of the Listing Agreement of the BSE and the NSE.

- **Newspaper in which results are normally published**

All India editions of The Hindu Business Line and Hyderabad editions of The Andhra Prabha. Results could also get published in any other reputed newspaper such as The Economic Times, The Financial Express and The Business Standard etc.

- **Any website, where displayed**

www.tcil.com

- **Whether it also displays official news releases; and presentation made to institutional investors or to the analysts:**

The Company's official news releases and presentations made to the institutional investors and analysts are available on the Company's website.

- **Other information available on the Website of the Company**

The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information like Financial Results, Annual Reports, Shareholding Pattern etc. A brief profile of Directors is also on the Company's website. Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the Company's website.

- **Filing of requisite informations with Stock Exchanges**

The Annual Report, Quarterly Results, Shareholding Pattern of the Company are filed with the Stock Exchanges on periodical basis.

GENERAL INFORMATION FOR MEMBERS

The Company is registered with the Registrar of Companies, Secunderabad, Andhra Pradesh . The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L70109AP1995PLC019116.

I. Annual General Meeting 2012

| | |
|---|--|
| Date | Thursday, 26 th July, 2012 |
| Venue | Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500004 |
| Time | 11.00 A. M. |
| Book Closure date for Final Dividend | 21 st July, 2012 to 26 th July, 2012 |
| Last Date of receipt of Proxy Forms | Tuesday, 24 th July, 2012 before 11.00 a.m. at the Registered Office of the Company. |

II. Calendar of financial year ended 31st March, 2012

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2012 were held on the following dates:

| | |
|------------------------------|--------------------------------|
| First Quarter | 28 th July, 2011 |
| Second Quarter & Half Yearly | 1 st November, 2011 |
| Third Quarter & Nine Months | 2 nd February, 2012 |
| Fourth Quarter & Annual | 30 th May, 2012 |

III. Tentative Calendar for financial year ending 31st March, 2012

The tentative dates of Meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2013 are as follows:

| | |
|------------------------------|-------------------------------|
| First Quarter | 26 th July, 2012 |
| Second Quarter & Half Yearly | 1 st Nov 2012 |
| Third Quarter & Nine Months | 29 th January 2013 |
| Fourth Quarter & Annual | 30 th May, 2013 |

IV. Listing on Stock Exchanges

The Company's shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE).

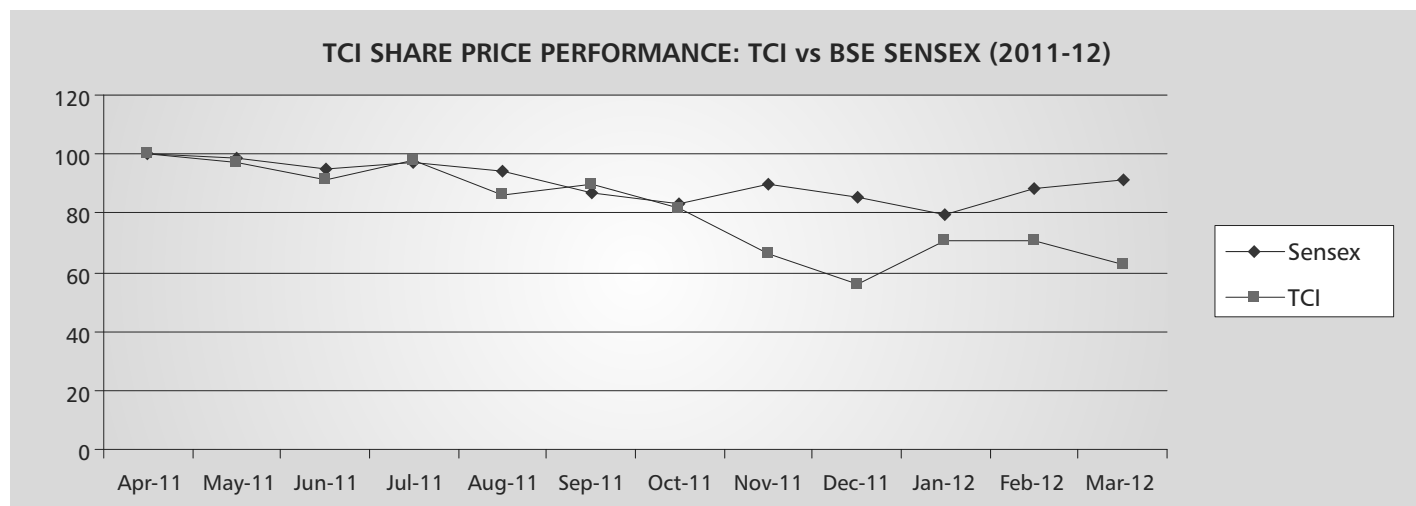
V. Stock Symbol

| | |
|--|--------|
| National Stock Exchange of India Limited | TCI |
| Bombay Stock Exchange Limited | 532349 |

*Listing Fees as applicable have been paid for the financial year ended March 31, 2012.

VI. Stock market data

The stock performance of TCI scrip during the financial year in comparison to BSE is plotted under:



VII. Market Price Information

Monthly high and low quotations, as well as the volume of shares traded at the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), for fiscal year are as follows:

| Month | Bombay Stock Exchange | | | National Stock Exchange | | |
|--------|------------------------|-----------------------|---------------------------|-------------------------|-----------------------|---------------------------|
| | High Price (In Rs.) | Low Price (In Rs.) | Volume (No. of Shares) | High Price (In Rs.) | Low Price (In Rs.) | Volume (No. of Shares) |
| Apr-11 | 106.25 | 94.5 | 354,114 | 106 | 94.5 | 849,278 |
| May-11 | 95.05 | 88.0 | 83,879 | 98.0 | 87.5 | 304,880 |
| Jun-11 | 95.0 | 82.0 | 124,052 | 94.9 | 82.0 | 316,405 |
| Jul-11 | 100.45 | 85.2 | 104,345 | 98.45 | 81.65 | 324,993 |
| Aug-11 | 97.95 | 74.05 | 79,131 | 95.0 | 73.15 | 314,790 |
| Sep-11 | 88.5 | 80.55 | 28,138 | 96.0 | 80.5 | 164,848 |
| Oct-11 | 85.1 | 74.55 | 81,106 | 94.9 | 74.0 | 193,572 |
| Nov-11 | 81.3 | 60.7 | 52,597 | 79.8 | 60.55 | 153,034 |
| Dec-11 | 64.9 | 52.05 | 52,773 | 70.0 | 53.0 | 176,655 |
| Jan-12 | 69.9 | 54.0 | 42,253 | 69.95 | 54.7 | 116,787 |
| Feb-12 | 75.0 | 64.0 | 127,505 | 82.4 | 63.4 | 197,334 |
| Mar-12 | 79.4 | 58.7 | 46,640 | 72.9 | 58.0 | 119,763 |

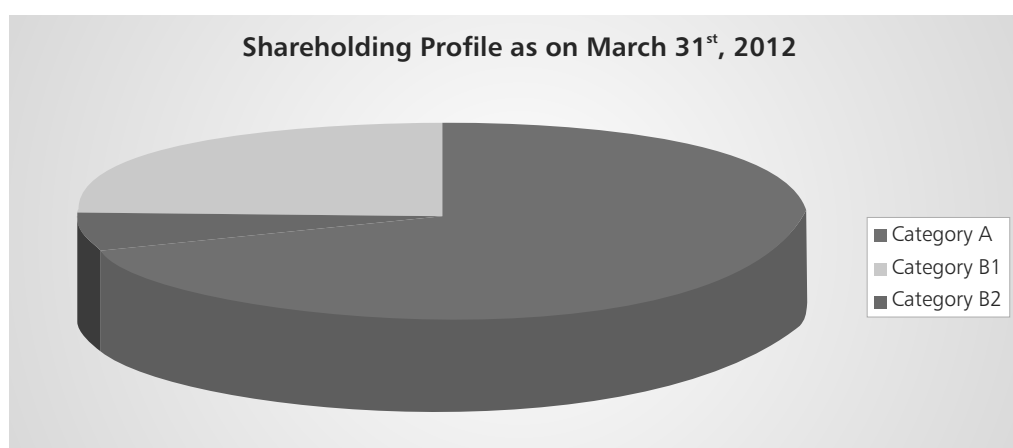
Source: BSE and NSE website

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in shares of the Company on the respective Stock Exchange.

VIII.Shareholding Pattern/profile of shareholding

The pattern of shareholding of your Company as on 31st March, 2012 is as follows:

| Code | Category of Shareholders | No. of Shares | %age of shareholding |
|------------|---|-------------------|----------------------|
| (A) | Shareholding of Promoter and Promoter Group (Indian) | | |
| (a) | Individuals/ Hindu Undivided Family | 16,218,962 | 22.30 |
| (b) | Bodies Corporate | 33,994,634 | 46.75 |
| | Total Shareholding of Promoter and Promoter Group (A) | 50,213,596 | 69.06 |
| (B) | Public shareholding | | |
| B 1 | Institutions | | |
| (a) | Mutual Funds/ UTI | 500 | 0.00 |
| (b) | Financial Institutions / Banks | 23,430 | 0.03 |
| (f) | Foreign Institutional Investors | 4,767,802 | 6.56 |
| | Sub-Total (B)(1) | 4,791,732 | 6.59 |
| B 2 | Non-institutions | | |
| (a) | Bodies Corporate | 2,894,769 | 3.98 |
| (b) | Individuals | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 8,283,401 | 11.39 |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 1,853,684 | 2.55 |
| (c) | Any Other (specify) | | |
| (c-i) | Non Resident Indians | 1,345,492 | 1.85 |
| (c-ii) | Overseas Corporate Bodies | 2,030,965 | 2.79 |
| (c-iii) | Clearing Members | 1,1603 | 0.02 |
| (c-iv) | Hindu Undivided Families | 1,289,948 | 1.77 |
| | Sub-Total (B)(2) | 17,709,862 | 24.36 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | 22,501,594 | 30.94 |
| | TOTAL (A)+(B) | 72,715,190 | 100.00 |



IX. Distribution of shareholding

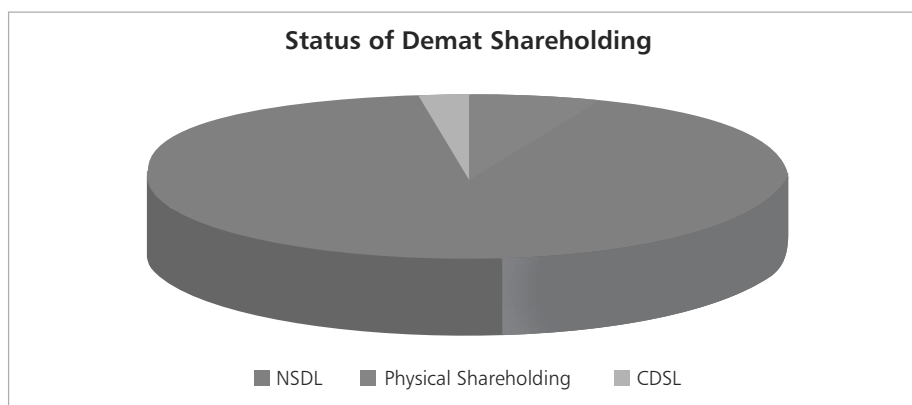
Distribution of shareholding of the Company by number of shares held as on 31st March, 2012 is as follows:

| Number of Equity share held | No. of Shareholders | % of Total Shareholders | No. of Shares | % of Total Shares |
|-----------------------------|---------------------|-------------------------|-------------------|-------------------|
| Upto 5,000 | 20,494 | 97.22 | 5,998,591 | 8.25 |
| 5,000-10,000 | 278 | 1.32 | 9,74,124 | 1.34 |
| 10,000-20,000 | 156 | 0.74 | 1,143,245 | 1.57 |
| 20,000-30,000 | 51 | 0.24 | 6,21,113 | 0.85 |
| 30,000-40,000 | 24 | 0.11 | 4,28,249 | 0.59 |
| 40,000-50,000 | 18 | 0.09 | 4,03,182 | 0.55 |
| 50,000-100,000 | 21 | 0.10 | 7,43,446 | 1.02 |
| 100,000 and above | 39 | 0.19 | 62,403,240 | 85.82 |
| Total | 21,081 | 100.00 | 72,715,190 | 100.00 |

X. Details about Company's dematerialised shares:

As on 31st March, 2012, 92.57% shareholding of the Company stands dematerialized representing 11,947 no. of shareholders, as detailed hereunder:

| Particulars | Number of shareholders | % of total shareholders |
|-----------------------|------------------------|-------------------------|
| Physical Shareholding | 5,402,687 | 7.43 |
| NSDL | 65,338,625 | 89.86 |
| CDSL | 1,973,878 | 2.71 |
| Total | 72,715,190 | 100 |



Shareholders, who continue to hold shares in physical form, are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialised form.

XI. Outstanding GDRs/ADRs/Warrants/Convertible Instruments

The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31st March, 2012.

XII. Dividend Policy:

- Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors.
- Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's

future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.

- The Board of Directors may also from time to time pay interim dividend(s) to shareholders.
- The Company has a track record of payment of regular dividend.

XIII.Unclaimed Dividends

- In terms of Sections 205A and 205C of the Companies Act, 1956, dividends that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by

the Central Government and thereafter cannot be claimed by the investors.

- To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF.
- Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund. In view of this, the Members of the Company, who have not yet encashed their dividend warrant(s) may write to the Company immediately
- The unpaid/unclaimed dividends upto Dividend for the FY 2003-04 had been transferred to the Investor Education and Protection Fund (IEPF) on 13th September, 2011.

Due dates for Transfer of Unclaimed Dividend to IEPF

| Year | Nature of Dividend | Date of Declaration | Due Date for transfer to IEPF |
|---------|--------------------|----------------------------|-------------------------------|
| 2004-05 | Final | 3 rd Sep, 2005 | 3 rd Oct, 2012 |
| 2005-06 | Final | 23 rd Oct, 2006 | 22 nd Nov, 2013 |
| 2006-07 | Interim | 9 th Feb, 2007 | 11 th Mar, 2014 |
| 2006-07 | Final | 25 th Jul, 2007 | 24 th Aug, 2014 |
| 2007-08 | Interim | 24 th Jan, 2008 | 23 rd Feb, 2015 |
| 2007-08 | Final | 29 th Jul, 2008 | 28 th Aug, 2015 |
| 2008-09 | Final | 22 nd Jul, 2009 | 21 st Aug, 2016 |
| 2009-10 | Interim | 22 nd Jan, 2010 | 21 st Feb, 2017 |
| 2009-10 | Final | 19 th May, 2010 | 18 th Jun, 2017 |
| 2010-11 | Interim | 20 th Jan, 2011 | 19 th Feb, 2018 |
| 2010-11 | Final | 28 th Jul, 2011 | 27 th Aug, 2018 |
| 2011-12 | Interim | 2 nd Feb, 2012 | 3 rd Mar, 2019 |

XIV.Address for Communication

All Shareholders' correspondence should be forwarded to M/s Abhipra Capital Limited, the Registrar and Transfer Agents of the Company or to the Investor Service Department at the Corporate Office of the Company at the addresses mentioned below:

| | |
|--|--|
| M/s Abhipra Capital Ltd. Ground Floor, Abhipra Complex, Dilkhush Industrial Area, A-387, G.T.Karnal Road, Azadpur, Delhi- 110033 Tel: 91-11-4239-0708, 4239-0725, 4239-0909 Fax. 91-11-2721-5530 | The Company Secretary Transport Corporation of India Ltd. Corporate Office, TCI House, 69, Institutional Area, Sector- 32, Gurgaon-122207 Tel. 91-124-238-1603-07 Fax: 91-124-238-1611 e-mail :ak.bansal@tcil.com, secretarial@tcil.com Website: http://www.tcil.com |
|--|--|

XV. Share transfer system

The applications and requests received by your Company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under the Companies Act, 1956

and the Listing Agreement.

XVI.Secretarial Audit for Capital Reconciliation

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with

National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors

GENERAL DO'S AND DON'TS

- Shareholders/ Beneficial holders should quote their Folio No./DP ID and Client ID, as the case may be, in all the correspondences with the Company.
- Shareholders/ Beneficial holders should mention their Contact Nos./ Fax Nos. and E-mail ID. Such E-mail ID shall be registered in the records of the Company.
- Shareholders are requested to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request, to the Company.

Securities and Exchange Board of India (SEBI), by its Circular No. MRD/DoP/Cir-05/2009 dated 20th May,

2009, and SEBI/MRD/DoP/SE/RTA/Cir-08/2010, dated 7th January, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares and for transmission, deletion and transposition of shares in physical form.

- Shareholders are requested to maintain a record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.
- Investors holding shares in dematerialised form should send all the communications related to change in address or change in bank details to their Depository Participant.

For **Transport Corporation of India Limited**

Place : Gurgaon

Date : 30th May, 2012

S.M. Datta
Chairman

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT AS PRESCRIBED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I HEREBY CONFIRM THAT:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2012.

For **Transport Corporation of India Limited**

Place : Gurgaon

Date : 30th May, 2012

D. P. Agarwal

Vice Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF TRANSPORT CORPORATION OF INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Transport Corporation of India Limited ('the Company') for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 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 the above mentioned Listing Agreement.

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

For R.S. Agarwala & Co.
Chartered Accountants

Place : Gurgaon

Date : 30th May, 2012

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

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 2012, the annexed Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date in which are incorporated the audited accounts of the TCI Seaways division and the branches in Nepal as audited by other auditors.

1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Attention is invited to Note 11 (ii) regarding investments in overseas subsidiary companies.
5. 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, Statement of Profit and Loss 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 Statement of Profit and Loss, the Balance Sheet and the Cash Flow Statement, comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
- v. On the basis of written representations received from the directors as on 31st March 2012 and taken on record by the Board of Directors none of the directors is disqualified as on 31st March, 2012 from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and accounting policies thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2012;
 - b) In the case of Statement of Profit and Loss, 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
Firm's Regn. No. 304045E

R S Agarwala

Partner

Camp: Gurgaon
Date: 30th May, 2012

Membership No. F-5534

Annexure to Auditors' Report

referred to in paragraph 3 of our report of even date:

1. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets. We are informed that a test physical verification of these assets was carried out by the management during the year and no material discrepancies were noticed.
2. 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.
3. (a) The Company has during the year granted interest free unsecured loans to two subsidiary companies and interest bearing loan to one Company. All the above companies are covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year aggregate to Rs.274 lacs and the year end balance to Rs.84 lacs. There are no stipulations as to the dates for repayment of the loan.
(b) The Company has taken unsecured loans of Rs. 55 lacs during the year from one company covered in the register maintained under Section 301 of the Act and was repaid during the year.
(c) In our opinion, the rate of interest and other terms and conditions of the above loans are not prima facie prejudicial to the interest of the Company.
4. 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.
5. (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.
6. 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.
7. The Company has appointed a firm of Chartered Accountants at the TCI Seaways Division to do the internal audit regularly. At other places the in-house internal audit department of the company conducted internal audit. The internal audit system is being constantly reviewed and strengthened to commensurate with the size and nature of Company's business.
8. 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.
9. (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 31st, 2012 which have not been deposited on account of a dispute and adjusted with the refunds due to the extent of Rs. 2475.15 lacs, are as under:

| Nature of Dues | Amount (Rs. in lacs) | Forum where pending |
|----------------------------|-------------------------|---|
| Income Tax | 4274.17 | Commissioner (Appeals) |
| Income Tax | 195.88 | Income Tax Appellate Tribunal |
| Excise Duty | 288.28 | Central Excise & Service Tax Appellate Tribunal |
| Trade Tax | 11.53 | High Court |
| Stamp Duty | 39.69 | Chief Controlling Revenue Authority |
| Employees' State Insurance | 29.00 | Supreme Court |

10. The Company has no accumulated losses as at March 31st, 2012 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. 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.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. 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.
15. 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.
16. 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.
17. 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.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
19. There are no debentures outstanding at the year end.
20. The Company has not raised any money by public issues during the year.
21. 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 explanation 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 management.

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

R S Agarwala
Partner
Camp: Gurgaon
Date: 30th May, 2012
Membership No. F-5534

BALANCE SHEET AS AT 31ST MARCH 2012

| | Notes | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|-------------|---------------------------------------|---------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 145,430,380 | 145,177,240 |
| Reserves and Surplus | 2 | 3,458,722,879 | 3,007,779,256 |
| | | 3,604,153,259 | 3,152,956,496 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 3 | 741,690,504 | 748,380,271 |
| Deferred Tax Liabilities (net) | 4 | 317,420,000 | 309,198,000 |
| Other Long-Term Liabilities | 5 | 239,689 | - |
| | | 1,059,350,193 | 1,057,578,271 |
| Current Liabilities | | | |
| Short-Term Borrowings | 6 | 2,094,948,581 | 1,788,440,390 |
| Trade Payables | 7 | 660,187,479 | 562,431,895 |
| Other Current Liabilities | 8 | 474,917,665 | 613,169,461 |
| Short-Term Provisions | 9 | 208,880,361 | 325,030,938 |
| | | 3,438,934,086 | 3,289,072,684 |
| TOTAL | | 8,102,437,538 | 7,499,607,451 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 10 | | |
| Tangible Assets | | 3,631,272,788 | 3,14,86,43,195 |
| Intangible Assets | | 95,135,975 | 8,56,56,395 |
| Capital Work-in-Progress | | 73,990,595 | 66,782,064 |
| Non-Current Investments | 11 | 306,244,241 | 291,137,834 |
| Long-Term Loans and Advances | 12 | 116,376,793 | 90,098,487 |
| Other Non-Current Assets | 13 | 5,820,415 | 5,373,658 |
| | | 4,228,840,807 | 3,687,691,633 |
| Current Assets | | | |
| Inventories | 14 | 19,636,836 | 14,068,324 |
| Trade Receivables | 15 | 3,073,561,387 | 2,994,605,725 |
| Cash and Bank Balance | 16 | 129,621,131 | 98,360,789 |
| Short-Term Loans and Advances | 17 | 642,814,711 | 700,800,905 |
| Other Current Assets | 18 | 7,962,666 | 4,080,075 |
| | | 3,873,596,731 | 3,811,915,818 |
| TOTAL | | 8,102,437,538 | 7,499,607,451 |
| THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS | 1-33 | | |

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

S. M. Datta
Chairman

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

Vineet Agarwal
Joint Managing Director
Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

| | Notes | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|-------------|---------------------------------------|---------------------------------------|
| REVENUE | | | |
| Revenue from Operations | 19 | 18,279,703,569 | 17,577,831,360 |
| Other Income | 20 | 43,296,565 | 23,546,279 |
| TOTAL REVENUE | | 18,323,000,134 | 17,601,377,639 |
| EXPENSES | | | |
| Operating Expenses | 21 | 14,738,265,398 | 14,369,608,790 |
| Employee Benefits Expenses | 22 | 970,227,213 | 851,479,974 |
| Other Expenses | 23 | 1,125,820,869 | 1,002,161,217 |
| Finance Cost | 24 | 332,838,449 | 257,048,801 |
| Depreciation and Amortization (Net) | 10 | 378,658,742 | 320,594,539 |
| TOTAL EXPENSES | | 17,545,810,671 | 16,800,893,321 |
| Profit Before Tax and Exceptional Items | | 777,189,463 | 800,484,318 |
| Exceptional Items | 11 | 40,000,000 | - |
| Profit Before Tax | | 737,189,463 | 800,484,318 |
| Tax Expenses | | | |
| Current Tax | | 212,000,000 | 224,400,000 |
| Deferred Tax | | 8,222,000 | 17,006,000 |
| Taxes for earlier years | | (1,460,615) | 45,843,753 |
| Profit For The Year | | 518,428,078 | 513,234,565 |
| Earning Per Share | 29 | | |
| Basic | | 7.13 | 7.07 |
| Diluted | | 7.10 | 7.07 |
| THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS | 1-33 | | |

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

S. M. Datta
Chairman

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

Vineet Agarwal
Joint Managing Director

Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

| | 31 st March 2012 | 31 st March 2011 |
|---|-----------------------------|-----------------------------|
| | Rupees In Lacs | Rupees In Lacs |
| A. Cash Flow From Operating Activities : | | |
| Net Profit Before Tax and Exceptional Items | 7,771.89 | 8,004.84 |
| Adjustments For : | | |
| Depreciation | 3,786.59 | 3,205.95 |
| Loss (profit) on Sale of Fixed Assets | (204.64) | (30.37) |
| Loss(profit) on Sale of Investments | 42.17 | - |
| Lease Rent Payments | 0.21 | 2.61 |
| Interest Payments | 3,328.38 | 2,570.49 |
| Interest Received | (39.84) | (28.20) |
| Dividend Income | (42.00) | (41.93) |
| | 6,870.86 | 5,678.55 |
| Operating Profit Before Working Capital Changes | 14,642.76 | 13,683.39 |
| Adjustments For : | | |
| Trade And Other Receivable | (1,114.84) | (4,575.10) |
| Inventories | (55.69) | (55.97) |
| Trade and Other Payables | 461.71 | 1,354.90 |
| Cash Generation From Operations | 13,933.94 | 10,407.22 |
| Interest Paid | (3,328.38) | (2,570.49) |
| (Direct Taxes Paid)/ Refund Received | (2,339.29) | (2,633.18) |
| NET CASH FROM OPERATING ACTIVITIES | 8,266.26 | 5,203.55 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of Fixed Assets | (8,991.08) | (7,568.81) |
| Transfer of Fixed Assets on Demerger | | 2,104.43 |
| Sale of Fixed Assets | 415.57 | 196.04 |
| Purchase of Investments | (606.26) | (893.38) |
| Sale of Investments | 13.03 | - |
| Transfer of Investments on Demerger | | 1,553.10 |
| Foreign Currency Translation Difference | | (23.17) |
| Interest Received | 39.84 | 28.20 |
| Dividend Received | 42.00 | 41.93 |
| Lease Rent Payments | (0.21) | (2.61) |
| Loans and Advances | (320.99) | 214.94 |
| Transfer of Loans and Advances on Demerger | - | 1,110.91 |
| | | |
| NET CASH FROM INVESTING ACTIVITIES | (9,408.09) | (3,238.42) |
| C. CASH FLOW FROM FINANCING ACTIVITIES:- | | |
| Proceeds from issuance of Share Capital | 120.46 | 45.23 |
| Transfer of Reserves on Demerger | - | (5,266.58) |
| Proceeds from Short Term Borrowings | 13,300.00 | 7,511.70 |
| Repayment of Short Term Borrowings | (10,252.45) | (4,115.31) |
| Proceeds from Term Borrowings | 4,097.41 | 4,462.66 |
| Repayment of Term Borrowings | (5,050.34) | (4,909.28) |
| Payment of Dividend | (654.47) | (653.30) |
| Payment of Dividend Tax | (106.17) | (107.58) |
| NET CASH FROM FINANCING ACTIVITIES | 1,454.42 | (3,032.46) |
| | | |
| NET INCREASE(DECREASE) IN CASH & CASH EQUIVALENT (A+B+C) | 312.60 | (1,067.33) |
| CASH & CASH EQUIVALENT AS ON 31.03.2011 | 983.61 | 2,050.94 |
| CASH & CASH EQUIVALENT AS ON 31.03.2012 | 1,296.21 | 983.61 |

In terms of our Report of even date

for **R S AGARWALA & Co.**

Chartered Accountants
Firm Regn. No. 304045E

R. S. Agarwala

Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

S. M. Datta

Chairman

Vineet Agarwal

Joint Managing Director

Place: Gurgaon

Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy

Director

Chander Agarwal

Executive Director

K. S. Mehta

Director

A. K. Bansal

Group CFO &
Company Secretary

D. P. Agarwal

Vice Chairman &
Managing Director

Ashish Tiwari

Group Head
Accounts & Taxation

NOTES TO THE FINANCIAL STATEMENT

1. SHARE CAPITAL

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Authorised : | | |
| 100,000,000 Equity Shares of Rs 2 Each | 200,000,000 | 200,000,000 |
| 500,000 Preferential Shares of Rs 100 Each | 50,000,000 | 50,000,000 |
| | 250,000,000 | 250,000,000 |
| Issued, Subscribed and Paid up : | | |
| 72,715,190 Equity Shares of Rs.2 Each Fully Paid up | 145,430,380 | 145,177,240 |
| 72,588,620 In Previous Year | | |

The Company has only one class of equity shares having a par value of Rs 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Reconciliation of The Number of Shares Outstanding

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|------------------|-----------------------------|------------------|
| | Numbers of shares | Amount in Rupees | Numbers of shares | Amount in Rupees |
| Shares at the beginning of the year | 72,588,620 | 145,177,240 | 72,528,245 | 145,056,490 |
| Add: Allotted under Employee stock option scheme | 126,570 | 253,140 | 60,375 | 120,750 |
| Shares at the end of the year | 72,715,190 | 145,430,380 | 72,588,620 | 145,177,240 |

Details of Shareholders Holding More Than 5% Shares:

| Name of Shareholders | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | Numbers of shares held | % of holding | Numbers of shares held | % of holding |
| Bhoruka Finance Corporation of India Limited | 15,869,679 | 21.82 | 15,869,679 | 21.86 |
| Bhoruka International (P) Limited | 10,490,505 | 14.43 | 10,490,505 | 14.45 |
| Mr D.P Agarwal | 4,974,995 | 6.84 | 4,974,995 | 6.85 |
| TCI India Limited | 4,595,028 | 6.32 | 4,021,540 | 5.54 |
| FDI Funds (Mauritius)(Non Promoter Group) | 4,021,540 | 5.53 | 4,595,028 | 6.33 |

Shares Reserved for Issue Under Options:

458,200 equity share of Rs 2/- each are reserved under employee stock option scheme as on 31st March 2012 (Previous year 315600) . of this 185,700 options , 162,500 options and 110,000 options will vest in the year 2012-13, 2013-14 and 2014-15 respectively

2. RESERVES & SURPLUS

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Revaluation Reserve | | |
| As Per Last Balance Sheet | 144,435,349 | 145,536,043 |
| Less: Depreciation on revalued amount (i) | 37,976 | 37,976 |
| On sale of revalued assets | - | 1,062,718 |
| | 144,397,373 | 144,435,349 |
| Securities Premium Reserve | | |
| As Per Last Balance Sheet | 515,835,627 | 631,031,740 |
| Additions during the year (ii) | 11,792,407 | 4,403,430 |
| Less: Transferred on demerger of Real Estate & Warehousing Division | - | 119,599,543 |
| | 527,628,034 | 515,835,627 |

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|---------------------------------------|---------------------------------------|
| Share Options Outstanding Account | | |
| As Per Last Balance Sheet | 15,407,760 | 6,486,800 |
| Add : Created against stock option granted during the year (iii) | 11,577,500 | 11,290,000 |
| Less : Transferred to security premium reserve (iv) | 5,951,648 | 2,284,305 |
| Reversed on cancellation of options not exercised (v) | 274,392 | 84,735 |
| | 20,759,220 | 15,407,760 |
| Capital Redemption Reserve | | |
| As Per Last Balance Sheet | 19,400,000 | 19,400,000 |
| Capital Reserve | | |
| As Per Last Balance Sheet | - | 407,058,452 |
| Less: Transferred on demerger of Real Estate & Warehousing Division | - | 407,058,452 |
| | - | - |
| General Reserve | | |
| As Per Last Balance Sheet | 2,070,000,000 | 1,650,000,000 |
| Add: Transferred from Statement of Profit and Loss | 410,000,000 | 420,000,000 |
| Transferred from reserve under section 33AC of Income Tax Act (note vi) | 47,700,000 | - |
| | 2,527,700,000 | 2,070,000,000 |
| Reserve Under Section 33AC of Income Tax Act 1961 | | |
| As Per Last Balance Sheet (utilized) | 47,700,000 | 47,700,000 |
| Less: Transferred to General Reserve (vi) | 47,700,000 | - |
| | - | 47,700,000 |
| Tonnage Tax Reserve | | |
| As Per Last Balance Sheet (utilized)(vii) | 112,500,000 | 102,500,000 |
| Add: Transferred from Statement of Profit and Loss (viii) | 20,300,000 | 10,000,000 |
| | 132,800,000 | 112,500,000 |
| Surplus | | |
| As Per Last Balance Sheet | 82,500,520 | 75,354,207 |
| Add: Profit for the year | 518,428,078 | 513,234,565 |
| Less: Interim Dividend | 29,153,053 | 29,035,448 |
| Proposed Dividend | 43,629,114 | 36,294,310 |
| Tax on Dividend | 11,808,179 | 10,758,494 |
| Transferred to: | | |
| General Reserve | 410,000,000 | 420,000,000 |
| Tonnage Tax Reserve | 20,300,000 | 10,000,000 |
| Closing Balance | 86,038,252 | 82,500,520 |
| Total | 3,458,722,879 | 3,007,779,256 |

Note

- (i) Transferred to Statement of Profit and Loss being depreciation provided on revalued amount
- (ii) On allotment of equity shares under Employees' Stock Option Scheme.
- (iii) In respect of options granted under the Employees' Stock Option Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options (based on market value of share on the date of grant of options minus option price) is accounted as deferred employee compensation, which is amortised on a straight line basis over the vesting period. Consequently salaries, wages and bonus includes Rs. 69,73,760 being amortisation of deferred employee compensation
- (iv) Transferred to Security Premium on allotment of equity shares during the year under Employees' Stock Option Scheme.
- (v) Reversed on cancellation of Options not exercised
- (vi) Fully utilized for acquisition of Ships and transferred to General Reserve.
- (vii) Amount utilized for acquisition of Ships.
- (viii) Transferred from Statement of Profit and Loss.

3. LONG-TERM BORROWINGS

| Particular | Non-Current | | Current Maturities | |
|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 31 st March 2012 | 31 st March 2011 | 31 st March 2012 | 31 st March 2011 |
| | Rupees | Rupees | Rupees | Rupees |
| Secured | | | | |
| Term Loans | | | | |
| From Banks | 561,590,344 | 665,335,368 | 341,500,266 | 439,011,362 |
| From Others | 177,407,160 | 78,647,403 | 40,854,584 | 33,651,675 |
| Unsecured | | | | |
| Fixed Deposits | 2,693,000 | 4,397,500 | 1,789,500 | 2,252,000 |
| Total | 741,690,504 | 748,380,271 | 384,144,350 | 474,915,037 |

Other Information Pertaining to Nature of Security

| Particulars of Nature of Security | Secured to the Extent | |
|--|--|--|
| | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
| Term Loans from Banks | | |
| 1025 nos. of General Cargo Containers and Property at D-29-2-26, Allipuram Ward, Vishakhapatnam | 92,333,334 | 129,333,334 |
| Properties situated at (1) Gut no. 623, 624 & 625/1, Village Mahalunge (Ingle), Taluka Khed, Chakan, Distt. Pune and (2) Plot no 18, Block 32, Sy. No. 96/1/A, Auto Nagar, Vanasthalipuram, Ranga Reddy, Hyderabad. | 120,000,000 | 162,500,000 |
| Land including WindMill of 2.50 MW installed thereon at Sangli (Maharashtra) | 1,777,645 | 6,135,343 |
| | 35,140,593 | 65,096,926 |
| Land including WindMill of 2.50 MW installed thereon at Sodamada (Rajasthan) | - | 11,861,127 |
| Properties situated at (1) Hadbast no. 234, Khewat/ Jambanch no. 115/125, Village Chak Gurjan, Distt. Hoshiarpur (Punjab) (2) Flat no. 306, 3rd Floor, Ashoka Bhoopal Chambers, 1-8-271 to 273, 146/A, Sardar Patel Road, Secunderabad (3) Property at Flat no. 307 3rd Floor, Ashoka Bhoopal Chambers, 1-8-271 to 273, 146/A, S. P. Road, Secunderabad (AP) | - | 31,269,553 |
| Properties situated at (1) Khasra no. 79, Mouza-Chimnazari, P.H. No. 84, N.H. 7, Dist. Nagpur, (2) Village Jhundsarai Viran, Faruknagar, Pataudi, Gurgaon, (3) Survey no. 10/6B, 105/10B, 117/3B and 117/6B at no. 155, Mambakkam Village, Sriperembudur Taluk, Distt. Kancheepuram and a Ship TCI- Surya | - | 122,322,264 |
| Trucks and Cars acquired against individual loan | 653,839,038 | 575,828,183 |
| Sub Total | 903,090,610 | 1,104,346,730 |
| Term Loans from Others | | |
| Land including Windmill of 1.50 KW installed thereon at Jharandi (Maharashtra) | 40,067,000 | 46,479,000 |
| (1) Trucks and (2) Secured by first charge on the mortgage of TCI Prabhu | 175,897,417 | 46,998,676 |
| Trucks acquired against individual loan | 2,297,327 | 18,821,402 |
| Sub Total | 218,261,744 | 112,299,078 |
| Total | 1,121,352,354 | 1,216,645,808 |

4. DEFERRED TAX LIABILITY (Net)

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|---------------------------------------|---------------------------------------|
| Difference Between Book and Tax Depreciation | 331,379,000 | 315,553,000 |
| Disallowance Under Income Tax Act | (8,606,000) | (5,061,000) |
| Other Items | (5,353,000) | (1,294,000) |
| Total | 317,420,000 | 309,198,000 |

5. OTHER LONG TERM LIABILITY

| | | |
|------------------------------------|---------|---|
| Interest Accrued on Fixed Deposits | 239,689 | - |
|------------------------------------|---------|---|

6. SHORT TERM BORROWING

| | | |
|-----------------------|----------------------|----------------------|
| Secured | | |
| Working Capital Loans | | |
| From Bank (i) | 944,305,701 | 1,037,850,527 |
| Unsecured | | |
| Other Loans | | |
| From Banks (ii) | 1,150,000,000 | 650,000,000 |
| From Others | | 100,000,000 |
| From Directors | 642,880 | 589,863 |
| Total | 2,094,948,581 | 1,788,440,390 |

(i) Working capital loans are secured by hypothecation of books debts as primary security along with land properties as collateral

(ii) Commercial Paper

7. TRADE PAYABLE

| | | |
|-----------------------|-------------|-------------|
| Other than Acceptance | 660,187,479 | 562,431,895 |
|-----------------------|-------------|-------------|

8. OTHER CURRENT LIABILITIES

| | | |
|--|--------------------|--------------------|
| Current Maturities of Long-term Debt | | |
| From Banks | 341,500,266 | 439,011,362 |
| From Others | 40,854,584 | 33,651,675 |
| Current Maturities of Deposits | 1,789,500 | 2,252,000 |
| Overdrawn Bank Balance | 1,095,106 | 838,440 |
| Interest Accrued but Not Due on Borrowing | 5,277,359 | 6,916,688 |
| Interest Accrued and Not Due on Fixed Deposits | 648,902 | 684,808 |
| Unpaid/ Unclaimed Dividends | 6,712,878 | 5,898,529 |
| Unclaimed Fixed Deposits | 166,320 | 176,320 |
| Advances From Customers | - | 2,282,919 |
| Trade / Security Deposits | 34,433,995 | 32,622,149 |
| Due to Gratuity Fund | 16,712,545 | 11,748,545 |
| Payable on Purchase of Fixed Assets | 1,085,296 | - |
| Statutory Remittances | 24,640,914 | 77,086,026 |
| Total | 474,917,665 | 613,169,461 |

There is no amount due and outstanding to be credited to the Investor Education & Protection Fund

9. SHORT TERM PROVISIONS

| | | |
|-----------------------------------|--------------------|--------------------|
| Provisions for Employees Benefits | 52,256,741 | 56,185,756 |
| Others: | | |
| Proposed dividend | 43,629,114 | 36,294,310 |
| Tax on proposed dividend | 7,078,824 | 5,887,845 |
| Taxation (net of advance tax) | 105,915,682 | 226,663,027 |
| Total | 208,880,361 | 325,030,938 |

10. FIXED ASSETS

Tangible Assets

| Description of Assets | GROSS BLOCK | | | | Up to 31.03.2011 | Transfer on demerger | DEPRECIATION | | | NET CARRYING VALUE | |
|--------------------------------|----------------------|----------------------|---------------------------|----------------------------|----------------------|----------------------|--------------------|--------------------------|----------------------|-----------------------------|-----------------------------|
| | As at 01.04.2011 | Transfer on demerger | Additions during the year | Deductions during the year | | | For the Year | Adjustment on Deductions | Total Depreciation | 31 st March 2012 | 31 st March 2011 |
| Land | 538,611,874 | | 87,121,677 | 1,114,653 | 624,618,898 | | | | | 624,618,898 | 538,611,874 |
| Buildings (c) | 604,489,931 | | 180,413,761 | 1,123,173 | 783,780,519 | | 11,402,953 | 278,077 | 84,136,702 | 699,643,817 | 531,478,105 |
| Ships | 657,506,927 | | 216,728,823 | 30,936,646 | 843,299,104 | | 37,548,114 | 28,244,157 | 274,571,491 | 568,727,613 | 392,239,393 |
| Motor Trucks | 1,763,388,492 | | 244,055,483 | 113,560,992 | 1,893,882,983 | | 218,761,133 | 107,625,905 | 1,018,499,897 | 875,383,086 | 856,023,823 |
| Vehicles | 110,575,143 | | 36,379,259 | 20,096,904 | 126,857,498 | | 10,768,960 | 10,233,464 | 30,490,708 | 96,366,790 | 80,619,931 |
| Plant & Equipments | 649,484,325 | | 42,973,393 | 1,088,127 | 691,369,591 | | 37,391,205 | 1,088,129 | 223,903,561 | 467,466,030 | 461,883,840 |
| Computers | 142,247,480 | | 20,805,915 | 21,796,653 | 141,256,742 | | 22,060,487 | 21,285,072 | 65,964,344 | 75,292,398 | 77,05,8551 |
| Containers | 133,949,016 | | 1,742,813 | 75,989 | 135,615,840 | | 6,436,050 | 12,638 | 33,954,857 | 101,660,983 | 106,417,571 |
| Furniture & Fixtures | 133,397,962 | | 26,009,890 | | 159,407,852 | | 8,831,074 | | 73,367,890 | 86,039,962 | 68,861,146 |
| Office Equipments | 78,841,371 | | 4,564,631 | 109,250 | 83,296,752 | | 3,713,205 | 41,500 | 49,758,482 | 33,538,270 | 32,754,594 |
| Weighing Scales & Chain Pulley | 4,858,426 | | 45,071 | | 4,903,497 | | 204,497 | | 2,368,556 | 2,534,941 | 2,694,367 |
| Sub-Total | 4,817,350,947 | | 860,840,716 | 189,902,387 | 5,488,289,276 | | 357,117,678 | 168,808,942 | 1,857,016,488 | 3,631,272,788 | 3,14,86,43,195 |

Intangible Assets

| | | | | | | | | | | | |
|-------------------|-------------|--|------------|---|-------------|--|------------|--|------------|------------|-------------|
| Computer Software | 113,366,904 | | 31,058,620 | - | 144,425,524 | | 21,579,040 | | 49,289,549 | 95,135,975 | 8,56,56,395 |
|-------------------|-------------|--|------------|---|-------------|--|------------|--|------------|------------|-------------|

Capital Work-in-Progress

| | | | | | | | | | | | |
|--------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|------------------|--------------------|--------------------|----------------------|----------------------|----------------------|
| Capital Work-in-Progress | 66,782,064 | | 128,015,914 | 120,807,383 | 73,990,595 | | | | | 73,990,595 | 66,782,064 |
| Total | 4,997,499,915 | | 1,019,915,250 | 310,709,770 | 5,706,705,395 | | 378,696,718 | 168,808,942 | 1,906,306,037 | 3,800,399,358 | 3,301,081,654 |
| PREVIOUS YEAR | 4,567,250,543 | 216,069,756 | 822,094,093 | 175,774,965 | 4,997,499,915 | 5,627,211 | 320,632,515 | 92,931,956 | 1,696,418,261 | 3,301,081,654 | 3,092,905,630 |

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

| | 31 st March 2012 | 31 st March 2011 |
|---|-----------------------------|-----------------------------|
| Depreciation for the year | 378,696,718 | 320,632,515 |
| Less: transfer from revaluation reserve on account of Depreciation on revalued amount | 37,976 | 37,976 |
| Net depreciation charged to Statement of Profit and Loss | 378,658,742 | 320,594,539 |

(c) Building include those on leasehold land

11. NON-CURRENT INVESTMENTS

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| | | Rupees | | Rupees |
| Long Term Investments (At Cost) | | | | |
| Trade Investments: | | | | |
| Fully Paid Equity Shares of Joint Stock Companies | | | | |
| Unquoted:- | | | | |
| Joint Ventures | | | | |
| Ann Sofie Scan ApS, Denmark (see note below) (Equivalent to DKK 3,824,750) | | 28,693,926 | | 28,693,926 |
| Transystem Logistics International Pvt Ltd of Rs 10 each | 3,920,000 | 39,200,000 | 3,920,000 | 39,200,000 |
| Subsidiaries | | | | |
| TCI Holdings Netherlands B.V., Netherlands of Euro 1 each (Sold during the year) | - | - | 18,000 | 5,451,688 |
| TCI Global (Shanghai) Co. Ltd., China (equivalent to Yuan 5,032,958) | | 34,730,436 | | 34,730,436 |
| Transport Co of India (Mauritius) Ltd., Mauritius Ltd. of Mauritius Rupees 10 each | 36,000 | 547,120 | 36,000 | 547,120 |
| TCI Properties (Pune) Ltd. of Rs. 10 each | 50,000 | 500,000 | 50,000 | 500,000 |
| TCI Distribution Centres Ltd of Rs. 10 Each | 143,700 | 1,437,000 | 143,700 | 1,437,000 |
| Infinite Logistics Solutions Pvt Ltd of Rs. 10 each | 1,020,000 | 10,200,000 | 1,020,000 | 10,200,000 |
| TCI Express Pte. Ltd., Singapore of SG\$ 1 each | 38,002 | 1,304,358 | 38,002 | 1,304,358 |
| TCI Global Holdings (Mauritius) Ltd. of US \$ 10 each (Including 125850 shares allotted during the year) | 326,190 | 151,347,905 | 200,340 | 91,958,155 |
| Associates | | | | |
| XPS Cargo Services Ltd. of Rs 10 each | 300,000 | 3,000,000 | 300,000 | 3,000,000 |
| TCI Developers Ltd. of Rs. 10 each | | | 100,000 | 1,000,000 |
| Fully Paid Preference Shares of a Subsidiary | | | | |
| TCI Distribution Centres Ltd -11% Redeemable non-cumulative of Rs 100 each | 622,000 | 62,200,000 | 622,000 | 62,200,000 |
| Sub-Total | | 333,160,745 | | 280,222,683 |
| Non-Trade Investment | | | | |
| Quoted:- | | | | |
| Fully Paid Equity Shares: | | | | |
| Associates | | | | |
| TCI Developers Ltd. of Rs. 10 each | 1,000,000 | 1,000,000 | | |
| Others | | | | |
| Infosys Technologies Ltd. of Rs 5 each | 1,200 | 1,852,020 | 1,200 | 1,852,020 |
| Edelweiss Capital Ltd of Rs 1 each | 9,820 | 1,243,342 | 9,820 | 1,243,342 |
| Reliance Industries Ltd of Rs 10 each | 3,624 | 2,752,134 | 3,624 | 2,752,134 |
| Mutual Funds: | | | | |
| UTI Balanced Funds (Sold during the year) | - | - | 3,105 | 67,655 |
| JM Basic Fund | 149,753 | 5,000,000 | 149,753 | 5,000,000 |
| Debentures and Bonds | | | | |
| National Highway Authority of India - 1236 Bonds of Rs 1,000 each | 1236 | 1,236,000 | - | - |
| Sub-Total | | 13,083,496 | | 10,915,151 |
| Provision For Diminution in Value | | | | |
| (i) Ann Sofie Scan ApS has discontinued its operations during the year and is under liquidation. A provision for estimated loss of Rs. 100 lacs on such liquidation has been made during the year and has been charged as Exceptional Item in the Statement of Profit & Loss. | | (10,000,000) | | - |

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|---------------------|-----------------------------|--------------------|
| | Nos. | Rupees | Nos. | Rupees |
| (ii) The Company has made investments in share capital and loans & advances to its overseas subsidiaries aggregating to Rs 19,52,08,478. The net worth of these overseas subsidiaries has substantially eroded because of losses suffered from year to year. A provision for possible losses in this regard has been made during the year and charged as Exceptional Item in the Statement of Profit & Loss which is considered adequate by the Board at this stage. | | - (30,000,000) | - | - |
| Sub-Total | | (40,000,000) | | - |
| Total | | 306,244,241 | | 291,137,834 |
| Market Value of Quoted Investments | | 21,346,721 | | 10,370,376 |

12. LONG TERM LOANS & ADVANCES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Unsecured | | |
| Capital Advances | 107,993,912 | 64,216,568 |
| Loan And Advance to Subsidiaries | 8,382,881 | 16,802,359 |
| Loan And Advance to JV/Associates | - | 9,079,560 |
| Advance & Deposits with Others | 9,669,711 | - |
| | 126,046,504 | 90,098,487 |
| Considered good | 116,376,793 | 90,098,487 |
| Considered Doubtful | 9,669,711 | - |
| Less: Provision Made For Doubtful Advances & Deposits | (9,669,711) | - |
| Total | 116,376,793 | 90,098,487 |

13. OTHER NON-CURRENT ASSETS

| | | |
|---|-----------|-----------|
| Deferred Employee Stock Option Compensation | 5,820,415 | 5,373,658 |
|---|-----------|-----------|

14. INVENTORIES (As taken, valued and certified by the management)

| | | |
|---|------------|------------|
| At lower of cost and net realisable value | 19,636,836 | 14,068,324 |
| Ship fuels & consumables | | |

15. TRADE RECEIVABLE

| | | |
|---|----------------------|----------------------|
| Unsecured | | |
| Outstanding for More than Six Month from the Due Date | | |
| Considered Good | 115,988,728 | 88,473,926 |
| Considered Doubtful | 5,000,000 | 2,000,000 |
| Less: Provision for Doubtful Debt | (5,000,000) | (2,000,000) |
| | 115,988,728 | 88,473,926 |
| Others | 2,957,572,659 | 2,906,131,799 |
| Total | 3,073,561,387 | 2,994,605,725 |

16. CASH & BANK BALANCES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Cash on Hand | 3,669,580 | 2,407,638 |
| Balances with Banks | | |
| In Current Accounts | 86,728,870 | 58,367,527 |
| In EEFC Accounts | 285,234 | 404,943 |
| In Deposit Accounts | 32,224,569 | 31,282,152 |
| Unpaid Dividend Accounts (Earmarked) | 6,712,878 | 5,898,529 |
| Total | 129,621,131 | 98,360,789 |

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

17. OTHER SHORT TERM LOANS & ADVANCES

| | | |
|------------------------------------|--------------------|--------------------|
| Unsecured Considered Good | | |
| Advances & Deposits with Landlords | 111,937,276 | 93,690,748 |
| Security Deposits with Customers | 105,178,319 | 104,411,360 |
| Loans and Advances to Employees | 10,119,288 | 9,637,709 |
| Prepaid Expenses | 24,016,067 | 12,746,169 |
| CENVAT Credit Receivable | 2,503,073 | 1,344,063 |
| Tax Deducted at Source | 294,640,242 | 391,997,719 |
| Accrued Income | 3,091,561 | 3,359,939 |
| Operational Advances | 91,328,885 | 83,613,198 |
| Total | 642,814,711 | 700,800,905 |

18. OTHER CURRENT ASSETS

| | | |
|---|-----------|-----------|
| Deferred employee stock option compensation | 7,962,666 | 4,080,075 |
|---|-----------|-----------|

In the opinion of the Board, assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated

19. REVENUE FROM OPERATIONS

| | | |
|--|-----------------------|-----------------------|
| Freight, Demurrage and Miscellaneous Charges | 17,308,680,661 | 16,819,570,185 |
| Sales | 72,877,906 | 63,804,850 |
| Logistics and Other Services | 885,574,514 | 680,992,672 |
| Clearing and Forwarding Services | 12,570,488 | 13,463,653 |
| Total | 18,279,703,569 | 17,577,831,360 |

20. OTHER INCOME

| | | |
|--|-------------------|-------------------|
| Rent | 4,542,425 | 2,482,267 |
| Dividends | 4,200,480 | 4,193,339 |
| Miscellaneous Income | 1,294,440 | 2,025,903 |
| Profit on Sale of Fixed Assets (Net) | | |
| On Ships | 19,807,511 | - |
| On Other Assets | 656,469 | 3,036,707 |
| Unspent Liabilities/Excess Provisions Written Back | 5,311,900 | 136,265 |
| Bad Debts and Irrecoverable Balances Written off Earlier, Realised | 3,498,852 | 8,851,947 |
| Interest | 3,984,488 | 2,819,851 |
| Total | 43,296,565 | 23,546,279 |

21. OPERATING EXPENSES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|---------------------------------------|---------------------------------------|
| Freight | 11,906,287,847 | 11,762,861,809 |
| Vehicles' Trip Expenses | 1,320,482,493 | 1,276,767,795 |
| Tyres & Tubes etc. | 77,515,353 | 74,017,061 |
| Warehouse Rent | 148,441,924 | 123,225,214 |
| Warehouse Expenses | 389,660,539 | 321,904,345 |
| Other Transportation Expenses | 188,814,794 | 247,808,807 |
| Claims for Loss & Damages (Net) | 14,752,003 | 13,844,980 |
| Commission | 1,359,502 | 22,201,296 |
| Vehicles' Taxes | 38,688,216 | 36,630,262 |
| Vehicles' and Ship Insurance | 28,088,436 | 16,603,637 |
| Power, Fuel and Water Charges | 243,818,934 | 150,141,991 |
| Stores & Spare Parts Consumed | 50,803,514 | 32,186,560 |
| Port and Survey Expenses | 38,560,675 | 32,287,568 |
| Stevedoring and Cargo Expenses | 175,859,903 | 144,864,838 |
| Wages, Bonus and Other Expenses - Floating Staff | 103,713,957 | 96,562,999 |
| Contribution to Provident & Other Funds-Floating Staff | 455,750 | 423,241 |
| Clearing and Forwarding Expenses | 10,961,558 | 17,276,387 |
| Total | 14,738,265,398 | 14,369,608,790 |

22. EMPLOYEE BENEFITS EXPENSES

| | | |
|--|--------------------|--------------------|
| Salaries, Wages & Bonus Others | 783,091,086 | 701,094,975 |
| Contribution to Provident & Other funds | 73,867,436 | 64,813,109 |
| Contribution to Employees' State Insurance | 20,045,413 | 16,812,965 |
| Staff Welfare & Development Expenses | 86,249,518 | 62,710,356 |
| Employees Stock Option Scheme | 6,973,760 | 6,048,569 |
| Total | 970,227,213 | 851,479,974 |

23. OTHER EXPENSES

(A) ADMINISTRATIVE EXPENSES

| | | |
|--------------------------------------|-------------|-------------|
| Rent | 187,221,128 | 152,319,539 |
| Rates and Taxes | 7,805,754 | 15,018,371 |
| Insurance | 6,953,931 | 6,397,669 |
| Telephone Expenses | 43,652,657 | 42,316,124 |
| Printing and Stationery | 31,346,876 | 29,071,698 |
| Traveling Expenses | 131,989,984 | 116,081,627 |
| Legal Expenses | 7,763,999 | 13,991,076 |
| Postage and Telegram | 16,431,850 | 7,303,813 |
| Electricity Expenses | 31,636,847 | 27,692,472 |
| Bank Charges | 13,208,241 | 14,903,850 |
| Advertisement Expenses | 10,178,087 | 12,389,902 |
| Office Maintenance & Security exp. | 102,995,812 | 82,791,419 |
| E mail/I. net/Telex Expenses | 28,279,268 | 28,569,281 |
| Consultancy & Internal Audit fee (i) | 15,049,551 | 13,390,857 |
| Conference & Seminar exp. | 11,144,538 | 14,309,664 |

23. OTHER EXPENSES

(A) ADMINISTRATIVE EXPENSES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Miscellaneous Expenses | 45,722,761 | 38,035,725 |
| Commission & Fee's to Directors | 2,800,000 | 2,085,000 |
| Remuneration to Auditors | | |
| Audit Fees | 794,296 | 756,936 |
| Tax Audit Fees | 494,921 | 481,681 |
| Other Services | 34,520 | 4,520 |
| Lease Rent Payments | 21,050 | 260,920 |
| Bad Debts and Irrecoverable Balances Written Off (ii) | 38,927,174 | 18,883,936 |
| Agricultural Expenses (Net of income) | 860,737 | 246,045 |
| Charity & Donations | 29,074,856 | 31,185,332 |
| Loss on Sale of Investment in Subsidiary | 4,216,816 | - |
| Exchange Difference | 1,417,331 | 219,753 |
| Sub-Total | 770,022,985 | 668,707,210 |

(i) Includes Rs 13,50,000 paid to two directors for services of a professional nature (Previous year Rs 22,50,000)

(ii) Includes provision of Rs 126,69,710 (Previous year - Rs. 2,000,000)

(B) REPAIRS & MAINTENANCE EXPENSES

| | | |
|----------------------|----------------------|----------------------|
| Motor Trucks | 179,713,695 | 154,044,916 |
| Other Vehicles | 30,771,710 | 30,349,981 |
| Ships | 20,881,515 | 13,839,678 |
| Dry Docking Expenses | 56,893,906 | 85,092,009 |
| Plant & Machinery | 27,591,193 | 18,738,113 |
| Computers | 22,838,757 | 17,875,991 |
| Buildings | 17,107,108 | 13,513,319 |
| Sub-total | 355,797,884 | 333,454,007 |
| Total | 1,125,820,869 | 1,002,161,217 |

24. FINANCE COST

| | | |
|-------------------|-------------|-------------|
| Interest Expenses | 332,838,449 | 257,048,801 |
|-------------------|-------------|-------------|

25. RELATED PARTY DISCLOSURES

I. 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. Priyanka Agarwal (Wife of Mr. Vineet Agarwal) | |
| iii. Associates: | |
| TCI Global Logistics Ltd | TCI Exim Pvt. Ltd. |
| Bhoruka Finance Corporation of India Ltd | XPS Cargo Services Ltd |
| TCI Industries Ltd | TCI India Ltd |
| Bhoruka International Pvt. Ltd | TCI Warehousing (MH) – Partnership firm |
| TCI Properties (Guj) – Partnership firm | TCI Properties (South) – Partnership firm |
| TCI Properties (Delhi) – Partnership firm | TCI Properties (NCR) – Partnership firm |
| TCI Developers Ltd. | TCI Infrastructure Ltd. |
| TCI Properties (West) Ltd. | |
| iv. Subsidiaries/ Step Down Subsidiaries: | |
| PT TCI Global, Indonesia | TCI Holding SA & E Pte. Ltd.Singapore |
| TCI Global (Thailand) Co. Ltd., Thailand | TCI Global (HKG) Ltd., Hong Kong |
| TCI Global Pte Ltd., Singapore | TCI Global Logistik GmbH, Germany |
| TCI Global (Shanghai) Co. Ltd., China | Transport Co of India (Mauritius) Ltd., Mauritius |
| TCI Holdings Asia Pacific Pte. Ltd., Singapore | TCI Express Pte. Ltd., Singapore |
| TCI Global Netherlands B.V., Netherlands | TCI Global (Malaysia) Sdn Bhd, Malaysia |
| TCI Global Holdings (Mauritius) Ltd., Mauritius | TCI Global Brazil Logistica Ltda, Brazil |
| TCI Distribution Centres Ltd. | TCI Holdings Netherlands B.V., Netherlands |
| TCI Properties (Pune) Ltd. | Infinite Logistics Solutions Pvt. Ltd. |
| TCI Scan Denmark ApS (Till 15-08-2011) | |
| v. Joint Ventures: | |
| Ann-Sofie Scan ApS | Transsystem 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: (Rs. In Million)

| | | | |
|------------------------------|-------|--|------|
| Assets as on 31.12.2011 | 24.39 | Income for the year ended 31.12.2011 | 0 |
| Liabilities as on 31.12.2011 | 0.90 | Expenses for the year ended 31.12.2011 | 3.54 |

Transsystem Logistics International Private Ltd.

Aggregate amounts related to 49% interest of TCI in Transsystem: (Rs. In Million)

| | | | |
|------------------------------|--------|--|---------|
| Assets as on 31.03.2012 | 569.19 | Income for the year ended 31.03.2012 | 1298.91 |
| Liabilities as on 31.03.2012 | 478.49 | Expenses for the year ended 31.03.2012 | 1168.67 |

II. Transactions with Related Parties:

| Nature of Transaction | Nature of Relation | Amount(Rupees) 31 st March 2012 | Amount(Rupees) 31 st March 2011 |
|--------------------------------------|---|---|---|
| Transactions during the year: | | | |
| Income: | | | |
| Freight Income | Associates | 30,839 | 546,403 |
| | Joint Ventures | 425,432,849 | 329,946,762 |
| | Subsidiaries/ Step-down subsidiaries | 1,201,408 | 12,978,295 |
| Logistics Services | Joint Ventures | 40,383,880 | 32,620,680 |
| Interest Received | Joint Venture | 259,521 | 937,872 |
| | Associates | 161,315 | 0 |
| Expenditure: | | | |
| Freight Expenses | | | |
| | Joint Venture | 18,260,513 | 40,380,076 |

| Nature of Transaction | Nature of Relation | Amount in Rupees | Amount in Rupees |
|--|--|-----------------------------|-----------------------------|
| Transactions during the year: | | 31 st March 2012 | 31 st March 2011 |
| | Subsidiaries/ Step-down subsidiaries | 38,716,273 | 49,229,515 |
| Fuel Purchases | Associates | 38,921,852 | 52,894,137 |
| Clearing & Forwarding Services | Associates | | 483,114 |
| Vehicle Maintenance | Joint Ventures | 5,097,275 | 2,612,887 |
| Rent Paid | Associates | 37,973,267 | 32,931,876 |
| | Key Management Personnel | 784,600 | 768,600 |
| | Relatives of Key Management Personnel | 600,000 | 600,000 |
| Interest Paid | Associates | 150,607 | 3,465,335 |
| Remuneration and Commission | Key Management Personnel | 83,292,327 | 76,566,834 |
| Reimbursement of Expenses | Joint Ventures | - | - |
| Finance & Investment: | | | |
| Investments Made | Subsidiaries | 60,993,400 | 89,337,190 |
| Loans Given | Subsidiaries/ Step-down subsidiaries | 10,559,934 | 12,344,548 |
| | Associates | 8,000,000 | |
| Refund of Loans Given | Joint Ventures | 9,079,560 | - |
| | Associates | 8,000,000 | - |
| | Subsidiaries/ Step-down subsidiaries | 19,059,924 | 51,032,489 |
| Loans Taken | Associates | 5,500,000 | 54,068,796 |
| Refund of Loans Taken | Associates | 5,500,000 | 54,068,796 |
| Advances/ Deposits Given | Associates | 3,955,452 | 1,747,332 |
| Advances/ Deposits Taken | Key Management Personnel | 2,000,000 | 2,218,189 |
| Refund of Advances/ Deposits Taken | Key Management Personnel | 101,966 | 2,271,931 |
| Investments Sale Subsidiary and Step-down Subsidiary | | 5451688 | --- |
| III. Balances as at the year end | | | |
| Assets: | | 2011-12 | 2010-11 |
| Investments Made | Associates | 67,637,000 | 4,000,000 |
| | Joint Ventures | 67,893,926 | 67,893,926 |
| | Subsidiaries | 198,629,819 | 208,328,757 |
| Loans & Advances Given | Subsidiaries/ Step-down Subsidiaries | 8,382,882 | 16,802,359 |
| | Joint Ventures | | 90,79,560 |
| Trade Receivables | Joint Ventures | 30,911,019 | 40,475,676 |
| | Subsidiaries/ Step-down subsidiaries | 1,766,465 | 4,342,084 |
| | Associates | 86221 | - |
| Advances/ Deposits Given | Associates | 22,202,980 | 16,497,332 |
| | Joint Ventures | 1,216,689 | 1,216,689 |
| | Key Management Personnel | 640,500 | 640,500 |
| | Relatives of Key Management Personnel | 240,000 | 240,000 |
| Liabilities: | | | |
| Trade Payables | Associates | | 2,330,592 |
| | Joint Ventures | 2,882,057 | 2,882,057 |
| | Subsidiaries/ Step-down subsidiaries | 3,537,702 | 6,809,263 |
| Advances/ Deposits Taken | Key Management Personnel | 642,880 | 544,846 |

26. SEGMENT INFORMATION

| Particulars | Divisions | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Revenue | | | |
| Segment Revenue | Freight Division | 7857.79 | 8117.05 |
| | XPS Division | 4953.26 | 4595.30 |
| | Supply Chain Solutions Division | 4526.38 | 3933.87 |
| | Seaways Division | 930.79 | 736.39 |
| | Energy Division | 72.88 | 63.81 |
| | Global Division | 48.86 | 207.29 |
| | | 18389.96 | 17653.71 |
| | Less: Inter Segment Revenue | (78.40) | (66.82) |
| Net Income from Operations | | 18311.56 | 17586.89 |
| Segment Results | Freight Division | 247.40 | 324.89 |
| | XPS Division | 381.80 | 348.92 |
| | Supply Chain Solutions Division | 363.50 | 301.82 |
| | Seaways Division | 117.10 | 61.79 |
| | Energy Division | 32.60 | 24.15 |
| | Global Division | (34.60) | (18.53) |
| Unallocated Corporate Income net of Unallocated Corporate Expenses | | (37.80) | 11.67 |
| Interest Expenses (Net of Income) | | (332.80) | (254.23) |
| Profit Before Tax | | 737.20 | 800.48 |
| Other Information | | | |
| Segment Assets | Freight Division | 1910.82 | 1750.37 |
| | XPS Division | 974.54 | 1002.02 |
| | Supply Chain Solutions Division | 1826.26 | 1644.14 |
| | Seaways Division | 861.25 | 706.38 |
| | Energy Division | 374.42 | 399.31 |
| | Global Division | 26.08 | 72.44 |
| | Unallocated Corporate Assets | 1984.67 | 1780.51 |
| Total Assets | | 7958.04 | 7355.17 |
| Segment Liabilities | Freight Division | 131.33 | 123.64 |
| | XPS Division | 149.93 | 144.16 |
| | Supply Chain Solutions Division | 406.33 | 352.61 |
| | Seaways Division | 18.19 | 19.19 |
| | Energy Division | 0.00 | 0.83 |
| | Global Division | 1.00 | 19.35 |
| | Unallocated Corporate Liabilities | 253.78 | 366.35 |
| Total Liabilities | | 960.56 | 1026.13 |
| Capital Expenditure | Freight Division | 101.42 | 53.27 |
| | XPS Division | 54.66 | 58.36 |
| | Supply Chain Solutions Division | 269.76 | 486.75 |
| | Seaways Division | 221.18 | 6.16 |
| | Energy Division | ---- | ---- |
| | Global Division | 0.21 | 1.67 |
| | Unallocated Capital Expenditure | 251.87 | 150.67 |
| Total Capital Expenditure | | 899.10 | 756.88 |
| Depreciation | Freight Division | 73.42 | 62.76 |
| | XPS Division | 53.25 | 56.34 |

| Particulars | Divisions | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---------------------------|---------------------------------|---------------------------------------|---------------------------------------|
| | Supply Chain Solutions Division | 179.09 | 135.34 |
| | Seaways Division | 44.71 | 38.06 |
| | Energy Division | 27.46 | 27.47 |
| | Global Division | 0.71 | 0.62 |
| | Unallocated Depreciation | 0.00 | --- |
| Total Depreciation | | 378.65 | 320.59 |

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

27. DISCLOSURES PURSUANT TO ACCOUNTING STANDARD-15 : EMPLOYEE BENEFITS

| Particulars | 31 st March 2012 Rupees | |
|--|---------------------------------------|------------------------------|
| | Gratuity Funded | Leave Encashment Unfunded |
| A. Components of Employer Expense | | |
| (i) Current Service Cost | 13,512,457 | 4,931,456 |
| (ii) Interest Cost | 9,269,835 | 2,277,135 |
| (iii) Expected Return on Plan Assets | (8,679,876) | - |
| (iv) Curtailment Cost/(Credit) | - | - |
| (v) Settlement Cost/(Credit) | - | - |
| (vi) Past Service Cost | | - |
| (vii) Actuarial Losses/(Gain) | 11,135,369 | 13,538,126 |
| Total Expenses Recognised in the Statement of Profit & Loss Account | 25,237,785 | 20,746,717 |
| The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and other Funds" and Leave Encashment in Salaries/Wages and Bonus under note 22 | | |
| B. Actuarial (Gain)/Loss on Planned Assets: | | |
| (i) Actual return on plan assets | 8,679,876 | |
| (ii) Expected return on plan assets | 8,679,876 | |
| Actuarial gain/ (Loss) | - | |
| C. Net Assets/(Liability) Recognised in Balance Sheet" | | |
| (i) Present Value of Defined Benefit Obligation | 132,784,203 | 22,388,160 |
| (ii) Fair Value of Plan Assets | 111,852,287 | - |
| (iii) Status [Surplus(Deficit)] | (20,931,916) | (22,388,160) |
| (iv) Unrecognised Past Service Cost | | |
| (v) Net Assets/(Liability) Recognised in Balance Sheet | (20,931,916) | (22,388,160) |
| D. Change in Defined Benefit Obligation (DBO) | | |
| (i) Present Value of DBO at the Beginning of Period | 109,056,882 | 26,789,823 |
| (ii) Current Service Cost | 13,512,457 | 4,931,456 |
| (iii) Interest Cost | 9,269,835 | 2,277,135 |
| (iv) Curtailment Cost/(Credit) | - | - |
| (v) Settlement Cost/(Credit) | - | - |
| (vi) Plan Amendments | - | - |
| (vii) Acquisitions | - | - |
| (viii) Actuarial Losses/(Gain) | 11,135,369 | 13,538,126 |
| (ix) Benefits Paid | (10,190,340) | (25,148,380) |
| (x) Present Value of DBO at the End of Period | 132,784,203 | 22,388,160 |
| E. Change in Fair Value of Asset | | |
| (i) Plan Assets at the Beginning of Period | 101,614,206 | - |
| (ii) Acquisition Adjustment | - | - |
| (iii) Expected Return on Plan Assets | 8,679,876 | - |

| | 31 st March 2012 Rupees | |
|---|---------------------------------------|------------------------------|
| | Gratuity Funded | Leave Encashment Unfunded |
| (iv) Actuarial Losses/(Gain) | - | - |
| (v) Actual Company Contributions | 11,748,545 | - |
| (vi) Benefits Paid | (10,190,340) | - |
| (vii) Plan Assets at the End of Period | 111,852,287 | - |
| (F) Actuarial Assumptions | | |
| (i) Discount Rate (%) | 8.50 | 8.50 |
| (ii) Expected Return on Plan Assets (%) | 8.65 | |

*The estimated of future salary increases, considered in actuarial valuations take account of inflations, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

| | | |
|--|----|--|
| (G) Major Category of Plan Assets as a % of the Total Plan Assets | | |
| (i) Government Securities/Special Deposits with RBI | 26 | |
| (ii) Mutual Funds | 74 | |

28. CONTINGENT LIABILITIES AND COMMITMENTS

| | 31 st March 2012 Rupees Million | 31 st March 2011 Rupees Million |
|--|---|---|
| (a) Contingent liabilities not provided in respect of following | | |
| Trade Tax/ Octroi/ Duty/ ESI and other demands under dispute | 42.24 | 37.80 |
| Guarantees and Counter Guarantees Outstanding | 221.85 | 302.20 |
| Income Tax demands under dispute | 447.01 | 336.97 |
| (b) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for net of advance on tangible assets | 99.27 | 29.73 |

29. EARNING PER SHARE

| | Unit | 31 st March 2012 | 31 st March 2011 |
|--|--------|-----------------------------|-----------------------------|
| Net Profit after tax available for equity share holders- for Basic and Diluted EPS | Rupees | 518,428,078 | 513,234,565 |
| Weighted average no. of Equity Shares for Basic EPS | Nos. | 72,682,644 | 72,571,329 |
| Add: Adjustments for stock options | Nos. | 288,971 | 55,366 |
| Weighted average no. of Equity Shares for Diluted EPS | Nos. | 72,971,616 | 72,626,695 |
| Nominal Value of Equity Shares | Rupees | 2.00 | 2.00 |
| Basic Earnings per Equity Share | Rupees | 7.13 | 7.07 |
| Diluted Earnings per Equity Share | Rupees | 7.10 | 7.07 |

30. IN RESPECT OF ASSETS TAKEN UNDER NON-CANCELLABLE OPERATING LEASE, THE FUTURE MINIMUM LEASE PAYMENTS AS ON 31ST MARCH 2012 ARE:

| | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Not later than one year | 21,050 | 21,050 |
| Later than one year and not later than five years | 84,200 | 84,200 |
| Later than five years | 168,400 | 189,450 |
| Total | 273,650 | 294,700 |

31. PREVIOUS YEAR FIGURE'S HAVE BEEN REGROUPED /REARRANGED WHEREVER CONSIDERED NECESSARY

32. ADDITIONAL INFORMATION

Expenditure in Foreign Currency

| | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| (a) Capital Goods | 203,063,461 | - |
| (b) Investments in Subsidiaries & Joint Venture | 60,993,400 | 89,337,100 |
| (c) Main Engine Break-down Repair | - | 40,181,407 |
| (d) Advances to Joint Venture/ Subsidiaries | 8,382,882 | 11,900,617 |
| (e) Shipping Freight & Port Disbursements | 5,701,322 | 69,122,997 |
| (f) Traveling Expenses | 12,931,967 | 10,584,807 |
| (g) Conference & Seminar | 936,672 | 1,535,346 |
| (h) Consultancy Charges/ Professional Fees | 34,590 | 258,068 |
| (i) Subscription | 223,941 | 19,163 |
| (j) Interest | 7,228,898 | 27,878,827 |
| (k) Staff Training Programmes | 4,194,697 | 1,291,303 |
| (l) Insurance | 4,246,407 | 3,446,945 |
| (m) Dry- Dock Expenses | 3,993,635 | 51,945,423 |
| (n) Spare Parts | 49,730,899 | 6,256,800 |
| (o) Other Ship Operating Expenses | 10,651,329 | 6,350,499 |
| (p) Commission | 8,356,166 | 591,705 |
| (q) Exchange Rate Difference (Net) | - | 219,753 |
| (r) Others | 1,417,331 | -- |

Earning in Foreign Currency During The Year

| | | |
|---------------------|-------------|-------------|
| (a) Freight Income | 139,712,304 | 120,763,437 |
| (b) Interest Income | 259,521 | 937,872 |
| (c) Others | 1,088,890 | 885,339 |

C.I.F. Value of Imported & Indigenous Stores and Spare Parts Consumed

| Particulars | % of Total Consumption | 31 st March 2012 Rupees | % of Total Consumption | 31 st March 2011 Rupees |
|----------------|---------------------------|---------------------------------------|---------------------------|---------------------------------------|
| (a) Imported | 21% | 10,651,329 | 19% | 6,256,800 |
| (b) Indigenous | 79% | 40,152,185 | 81% | 25,929,760 |

33. ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

1. Recognition of Income and Expenditure

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

2. Gratuity and Leave Encashment

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

3. Depreciation

Depreciation is provided on straight-line method at rates specified in schedule XIV to the Companies Act, 1956 except for pallets and bins included under plant and machinery, the cost whereof are amortized over a period of five years from the date of purchase. Depreciation on additions/ deductions is calculated pro-rata from / to the month of addition / deduction. Individual assets whose actual cost does not exceed Rs. 5,000, except pallets and bins, are fully depreciated in the year of purchase.

4. Fixed Assets

- (a) Fixed Assets are stated at cost and/or at revaluation
- (b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from capital reserve created on revaluation of fixed assets to Profit and Loss Account

5. Investment

- (a) Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.
- (b) Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

6. Inventories

Inventories are valued of lower of cost and net realisable value

7. Foreign Exchange Transactions:

- (a) Initial recognition
All transactions in foreign currency are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.
- (b) Measurement of foreign currency monetary items at the balance sheet date
Monetary items in foreign currency at the year end are converted in Indian Currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:
 - (i) Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.
 - (ii) In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance life of the long-term monetary item.
- (c) Treatment of exchange differences
Any income or expense on account of exchange difference either on settlement or translation is recognised in the profit and loss account
- (d) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

8. Taxation

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on assessable income. Provision for current income tax on income from shipping activities is made on the basis of deemed tonnage income of the Company.

The company, except for its Seaways division, provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected

9. Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

S. M. Datta
Chairman

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

Vineet Agarwal
Joint Managing Director
Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

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

| Sr. No. | Name of the Subsidiary Company | Financial Year of the subsidiary company ended on | Interest of the Company in the subsidiary companies at the end of their respective financial years | | Net aggregate of Profit/ (Loss) of the subsidiary company so far as it concerns the members of TCI Limited which are | | | |
|---------|--|---|--|-----------------------|--|--|--|--|
| | | | | | Dealt with in the accounts of the Company amounting to (Rupees in million) | | Not dealt with in the accounts of the Company amounting to (Rupees in million) | |
| | | | Shareholding (No. of shares) | Extent of Holding (%) | For Subsidiary's Financial Year ended on 31 st March 2012 | For Previous Financial Years of the subsidiary since it became subsidiary of TCI | For Subsidiary's Financial Year ended on 31 st March 2012 | For Previous Financial Years of the subsidiary since it became subsidiary of TCI |
| 1 | PT. TCI Global | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (1.77) | (2.69) |
| 2 | TCI Global (HKG) Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (7.95) | (3.95) |
| 3 | TCI Global (Thailand) Co. Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (8.42) | (7.35) |
| 4 | TCI Global Pte (Singapore) Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (13.26) | (15.59) |
| 5 | TCI Global Logistik GmbH | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (0.53) | (0.77) |
| 6 | TCI Global Netherlands B. V. | 31 st March 2012 | 36,000 Shares of Mauritius Rupees 10 each | 100% | Nil | Nil | (0.18) | (0.17) |
| 7 | TCI Holdings Asia Pacific Pte. Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (0.50) | (1.55) |
| 8 | TCI Global (Malaysia) Sdn Bhd | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (3.97) | (0.27) |
| 9 | TCI Scan Denmark ApS* | 15 th August 2011 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | - | - |
| 10 | TCI Global Brazil Logistica Ltda | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | 1.63 | (0.29) |
| 11 | TCI Holdings Netherlands B.V. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (1.11) | (0.44) |
| 12 | TCI Express Pte. Ltd. | 31 st March 2012 | 38,002 Shares of SG\$ 1 each | 100% | Nil | Nil | (0.21) | (0.39) |
| 13 | TCI Global Holdings (Mauritius) Ltd. | 31 st March 2012 | 326190 Shares of US\$ 10 each | 100% | Nil | Nil | (2.30) | 6.62 |
| 14 | TCI Global (Shanghai) Co. Ltd. | 31 st March 2012 | Equivalent to Yuan 5,032,958 | 100% | Nil | Nil | (10.46) | (8.76) |
| 15 | Transport Co of India (Mauritius) Ltd. | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | (0.12) | (0.18) |
| 16 | TCI Holdings SA & E PTE LTD | 31 st March 2012 | Nil (Step Down Subsidiary) | 100% | Nil | Nil | 0.16 | - |
| 17 | TCI Properties (Pune) Ltd. | 31 st March 2012 | 50,000 Shares of Rs 10 each | 100% | Nil | Nil | (0.01) | (0.01) |
| 18 | TCI Distribution Centers Ltd. | 31 st March 2012 | 143,700 Shares of Rs 10 each | 73.92% | Nil | Nil | - | - |
| 19 | Infinite Logistics Solutions Pvt. Ltd. | 31 st March 2012 | 1,020,000 Shares of Rs 10 each | 51% | Nil | Nil | (1.70) | (0.12) |

*TCI Scan Denmark ApS has been liquidated during the year

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

Financial Year ended 31st March 2012

(Rupees in million)

| Sl. No. | Name of the Subsidiary/ Step Down Subsidiary | Paid-up Capital | Reserves | Total Assets | Other Liabilities | Investments (a) | Turnover | Profit/ (Loss) before tax | Provision for tax | Profit/ (Loss) after tax | Proposed dividend | Currency | Exchange rate as on 31 st March 2012 |
|---------|--|-----------------|----------|--------------|-------------------|-----------------|----------|---------------------------|-------------------|--------------------------|-------------------|----------|---|
| 1 | PT. TCI Global | 27.51 | (7.40) | 39.26 | 19.49 | NIL | 52.80 | (1.80) | NIL | (1.80) | Nil | Rupiah | 0.0057 |
| 2 | TCI Global Logistik GmbH | 1.73 | (2.89) | 0.295 | 1.88 | NIL | 0.00 | (0.85) | NIL | (0.85) | Nil | Euro | 69.15 |
| 3 | TCI Global (HKG) Ltd. | 16.36 | (29.53) | 2.67 | 15.83 | NIL | 3.29 | (7.94) | NIL | (7.94) | Nil | HK\$ | 6.68 |
| 4 | TCI Global (Thailand) Co. Ltd. | 28.51 | (27.67) | 21.60 | 16.27 | NIL | 36.93 | (8.45) | NIL | (8.45) | Nil | Baht | 1.677 |
| 5 | TCI Global (Singapore) Pte. Ltd. | 78.45 | (53.06) | 100.48 | 50.56 | NIL | 63.65 | (13.26) | NIL | (13.26) | Nil | SG\$ | 41.23 |
| 6 | TCI Global Netherlands B. V. | 1.24 | (0.75) | 0.690 | 0.20 | NIL | 0 | (0.19) | NIL | (0.19) | Nil | Euro | 69.15 |
| 7 | TCI Global (Shanghai) Co. Ltd. | 41.22 | (34.56) | 27.39 | 20.74 | NIL | 1.58 | (8.96) | NIL | (8.96) | Nil | Yuan | 8.19 |
| 8 | Transport Co of India (Mauritius) Ltd. | 0.62 | (0.63) | 0.26 | 0.27 | NIL | 0 | (0.11) | NIL | (0.11) | Nil | MUR | 1.72 |
| 9 | TCI Holdings Asia Pacific Pte. Ltd. | 151.98 | (3.88) | 166.03 | 17.38 | NIL | 0 | (0.63) | NIL | (0.63) | Nil | SG\$ | 41.23 |
| 10 | TCI Global (Malaysia) Sdn Bhd | 4.51 | (4.42) | 1.47 | 1.67 | NIL | 0.07 | (3.98) | NIL | (3.98) | Nil | MYR | 16.9 |
| 11 | TCI Global Brazil Logistica Ltda | 0.28 | 1.66 | 9.46 | 7.53 | NIL | 30.84 | 2.35 | 0.72 | 1.66 | Nil | R\$ | 28.41 |
| 12 | TCI Holdings Netherlands B. V. | 2.97 | (2.24) | 1.724 | 1.00 | NIL | 0 | (0.95) | NIL | (0.95) | Nil | Euro | 69.15 |
| 13 | TCI Express Pte. Ltd. | 1.57 | (1.43) | 0.72 | 0.58 | NIL | 0 | (0.21) | NIL | (0.21) | Nil | SG\$ | 41.23 |
| 14 | TCI Holdings SA& E PTE LTD. | 2.99 | (0.18) | 2.990 | 0.18 | NIL | 0 | (0.18) | NIL | (0.18) | Nil | SG\$ | 41.23 |
| 15 | TCI Global Holdings (Mauritius) Ltd. | 169.13 | (2.30) | 16.97 | 0.89 | NIL | | (0.94) | NIL | (0.94) | Nil | US\$ | 51.85 |
| 16 | TCI Properties (Pune) Ltd. | 0.50 | (0.03) | 0.48 | 0.01 | NIL | Nil | (0.01) | 0.00 | (0.01) | Nil | INR | |
| 17 | TCI Distribution Centers Ltd. | 86.09 | (0.07) | 171.73 | 85.71 | 0.50 | 0.01 | (0.01) | Nil | (0.01) | Nil | INR | |
| 18 | Infinite Logistics Solutions Pvt. Ltd. | 20.00 | (7.72) | 15.50 | 3.22 | Nil | 22.31 | (4.82) | 1.48 | (3.34) | Nil | INR | |

(a) Excluding investment in subsidiaries

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

(c) TCI Scan Denmark ApS has been liquidated during the year

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF TRANSPORT CORPORATION OF INDIA LTD.

We have audited the attached Consolidated Balance Sheet of Transport Corporation of India Ltd. (the Company) and its subsidiaries and its jointly controlled entities, collectively called 'the TCI Group' (refer Note 27) as at March 31st, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 all the subsidiaries and jointly controlled entities have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the reports so furnished.
3. The financial statements of certain subsidiaries which reflect total assets of Rs. 57.00 Lacs, total revenue of Rs. Nil and net loss of Rs. 21.70 Lacs for the year ended 31st March, 2012 have not been audited. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of

these subsidiaries is based solely on such approved unaudited financial statements.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Standards) Rules 2006.
5. 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 paragraphs 2 and 3 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 2012 and
 - (b) In the case of Consolidated Statement of Profit & Loss, of the profit of the TCI Group for the year ended on that date
 - (c) In the case of Consolidated Cash Flow Statement, of the cash flows of the TCI Group for the year ended on that date.

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

R S Agarwala

Partner

Camp: Gurgaon

Date : 30th May, 2012

Membership No. F-5534

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

| | Notes | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|-------|---------------------------------------|---------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 145,430,380 | 145,177,240 |
| Reserves and Surplus | 2 | 3,637,213,230 | 3,107,158,988 |
| | | 3,782,643,610 | 3,252,336,228 |
| Minority Interest | | 28,455,609 | 30,094,562 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 3 | 839,270,604 | 820,378,877 |
| Deferred Tax Liabilities (Net) | 4 | 317,284,958 | 312,311,801 |
| Other Long-Term Liabilities | 5 | 239,689 | - |
| Long-Term Provisions | 6 | - | 493,892 |
| | | 1,156,795,251 | 1,133,184,570 |
| Current Liabilities | | | |
| Short-Term Borrowings | 7 | 2,153,286,659 | 1,837,719,770 |
| Trade Payables | 8 | 873,469,866 | 705,100,541 |
| Other Current Liabilities | 9 | 514,394,558 | 630,282,832 |
| Short-Term Provisions | 10 | 227,470,701 | 331,307,737 |
| | | 3,768,621,784 | 3,504,410,880 |
| TOTAL | | 8,736,516,254 | 7,920,026,240 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 11 | | |
| Tangible Assets | | 4,062,874,684 | 3,372,489,397 |
| Intangible Assets | | 96,009,883 | 86,284,682 |
| Capital Work-in-Progress | | 78,216,198 | 66,839,394 |
| Goodwill on Consolidation | | 3,244,669 | 2,391,315 |
| Non-Current Investments | 12 | 16,587,976 | 15,426,480 |
| Long-Term Loans and Advances | 13 | 108,559,321 | 99,470,951 |
| Other Non-Current Assets | 14 | 5,820,415 | 5,373,658 |
| | | 4,371,313,146 | 3,648,275,877 |
| Current Assets | | | |
| Inventories | 15 | 19,636,836 | 14,305,428 |
| Trade Receivables | 16 | 3,364,499,303 | 3,208,407,350 |
| Cash and Bank Balance | 17 | 307,295,368 | 182,539,988 |
| Short-Term Loans and Advances | 18 | 664,937,352 | 861,116,710 |
| Other Current Assets | 19 | 8,834,249 | 5,380,887 |
| | | 4,365,203,108 | 4,271,750,363 |
| TOTAL | | 8,736,516,254 | 7,920,026,240 |
| THE NOTES FORM AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS | | 1-35 | |

In terms of our Report of even date

For and on behalf of the Board

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

S. M. Datta
Chairman

O. Swaminatha Reddy
Director

K. S. Mehta
Director

D. P. Agarwal
Vice Chairman &
Managing Director

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

Vineet Agarwal
Joint Managing Director
Place: Gurgaon
Date: 30th May, 2012

Chander Agarwal
Executive Director

A. K. Bansal
Group CFO &
Company Secretary

Ashish Tiwari
Group Head
Accounts & Taxation

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2012

| | Notes | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|-------|---------------------------------------|---------------------------------------|
| REVENUE | | | |
| Revenue from Operations | 20 | 19,537,484,526 | 18,512,585,707 |
| Other Income | 21 | 56,684,107 | 51,313,281 |
| TOTAL REVENUE | | 19,594,168,633 | 18,563,898,988 |
| EXPENSES | | | |
| Cost of Goods Sold | 22 | 2,576,138 | 25,144,138 |
| Operating Expenses | 23 | 15,683,208,890 | 15,104,170,750 |
| Employee Benefits Expenses | 24 | 1,015,335,943 | 891,890,112 |
| Other Expenses | 25 | 1,271,934,834 | 1,105,622,048 |
| Finance Cost | 26 | 349,999,426 | 265,918,291 |
| Depreciation and Amortization (Net) | 11 | 415,684,898 | 353,119,669 |
| TOTAL EXPENSES | | 18,738,740,129 | 17,745,865,008 |
| Profit Before Tax | | 855,428,504 | 818,033,980 |
| Tax Expenses | | | |
| Current Tax | | 258,934,058 | 254,902,000 |
| Deferred Tax | | 4,973,156 | 15,975,325 |
| Taxes for Earlier Years | | (1,896,570) | 45,930,541 |
| Profit After Tax | | 593,417,860 | 501,226,114 |
| Share of Loss Transferred to Minority Interest | | (1,638,953) | (116,350) |
| Profit for the Year | | 595,056,813 | 501,342,464 |
| Earning Per Share | 31 | | |
| Basic | | 8.19 | 6.91 |
| Diluted | | 8.15 | 6.90 |

**THE NOTES FORM AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS**

1-35

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

S. M. Datta
Chairman

Vineet Agarwal
Joint Managing Director

Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2012

| | 31 st March 2012 Rupees in Lacs | 31 st March 2011 Rupees in Lacs |
|--|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES:- | | |
| Net Profit before tax and exeptional items | 8,554.27 | 8,180.34 |
| Adjustments for : | | |
| Depreciation | 4,156.85 | 3,531.20 |
| Loss (Profit) on sale of Fixed Assets | (210.64) | (34.77) |
| Loss(Profit) on sale/ amortisation of Investments | - | 310.40 |
| Lease Rent Payments | 18.63 | 2.61 |
| Interest Payments | 3,499.99 | 2,659.18 |
| Interest Recieved | (113.51) | (96.40) |
| Dividend Income | (42.09) | (41.64) |
| | 7,309.24 | 6,330.58 |
| Operating profit before Working Capital changes | 15,863.51 | 14,510.92 |
| Adjustments For: | | |
| Trade and Other Recievables / Long term Advances | (1,830.88) | (5,063.33) |
| Inventories | (53.31) | (35.61) |
| Trade and Other Payables | 1,204.06 | 1,177.22 |
| Cash Generation From operations | 15,183.37 | 10,589.19 |
| Interest Paid | (3,499.99) | (2,659.18) |
| (Direct Taxes Paid) / Refund received | (2,712.91) | (2,915.24) |
| NET CASH FROM OPERATING ACTIVITIES | 8,970.47 | 5,014.77 |
| B. CASH FLOW FROM INVESTING ACTIVITIES:- | | |
| Purchase of Fixed Assets | (11,509.49) | (8,764.61) |
| Transfer of Asset on Demerger | - | 4,907.97 |
| Sale of Fixed Assets | 448.03 | 182.78 |
| Purchase of Investments | (12.36) | (15.11) |
| Sale of Investments | 0.75 | (44.62) |
| Loss(Profit) Relating to Demerged Entities | - | 5.53 |
| Foreign Currency Translation Difference | - | (23.17) |
| Loss on Derivative Transactions | - | - |
| Payable against Derivative Transactions | - | - |
| Interest Recieved | 113.51 | 96.40 |
| Dividend Recieved | 42.09 | 41.64 |
| Lease Rent Payments | (18.63) | (2.61) |
| Loans and Advances | 1,178.87 | (150.34) |
| Decrease/ (Increase) in Preliminary Expenses to be written off | 4.29 | 7.43 |
| Increase/ (Decrease) of Capital Reserve on Consolidation | 92.96 | (31.37) |
| Increase/ (Decrease) of Minority Interest/ Goodwill on Consolidation (net) | (8.53) | (173.67) |
| NET CASH FROM INVESTING ACTIVITIES | (9,668.52) | (3,963.75) |
| C. CASH FLOW FROM FINANCING ACTIVITIES:- | | |
| Proceeds from issue of Share Capital | 120.46 | 44.49 |
| Transfer of Reserve on Demerger | - | (5,266.58) |
| Proceeds from Short Term Borrowings | 11,707.16 | (3,117.82) |
| Repayment of Short Term Borrowings | (8,569.02) | 6,511.70 |
| Proceeds from Long Term Borrowings | 5,316.15 | 1,051.21 |
| Repayment of Long Term Borrowings | (5,822.93) | (1,466.77) |
| Payment of Dividend | (693.67) | (692.50) |
| Payment of Dividend Tax | (112.53) | (113.94) |
| NET CASH FROM FINANCING ACTIVITIES | 1,945.60 | (3,050.21) |
| NET INCREASE(DECREASE) IN CASH & CASH EQUIVALENT(A+B+C) | 1,247.55 | (1,999.20) |
| CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR | 1,825.40 | 3,824.60 |
| CASH & CASH EQUIVALENTAT THE END OF THE YEAR | 3,072.95 | 1,825.40 |

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

S. M. Datta
Chairman

Vineet Agarwal
Joint Managing Director

Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SHARE CAPITAL

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Authorised : | 200,000,000 | 200,000,000 |
| 100,000,000 Equity shares of Rs 2 each | 50,000,000 | 50,000,000 |
| 500,000 Preferential shares of Rs 100 each | 250,000,000 | 250,000,000 |
| Issued , Subscribed and Paid up : | | |
| 72,715,190 Equity Shares of Rs.2 each fully paid up | 145,430,380 | 145,177,240 |
| 72,588,620 In previous Year | | |

The Company has only one class of equity shares having a par value of Rs 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Reconciliation of the Number of Shares Outstanding

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|------------------|-----------------------------|------------------|
| | Numbers of Shares | Amount in Rupees | Numbers of Shares | Amount in Rupees |
| Shares at the beginning of the year | 72,588,620 | 145,177,240 | 72,528,245 | 145,056,490 |
| Add: Allotted under Employee stock option scheme | 126,570 | 253,140 | 60,375 | 120,750 |
| Shares at the end of the year | 72,715,190 | 145,430,380 | 72,588,620 | 145,177,240 |

Details of Shareholders Holding More Than 5% Shares:

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | Numbers of shares held | % of holding | Numbers of shares held | % of holding |
| Bhoruka Finance Corporation of India Limited | 15,869,679 | 21.82 | 15,869,679 | 21.86 |
| Bhoruka International (P) Limited | 10,490,505 | 14.43 | 10,490,505 | 14.45 |
| Mr D.P Agarwal | 4,974,995 | 6.84 | 4,974,995 | 6.85 |
| TCI India Limited | 4,595,028 | 6.32 | 4,021,540 | 5.54 |
| FDI Funds (Mauritius)(Non Promoter Group) | 4,021,540 | 5.53 | 4,595,028 | 6.33 |

Shares Reserved For Issue Under Options:

458,200 equity share of Rs 2/- each are reserved under employee stock option scheme as on 31st March 2012 (Previous year 315600) . Of this 185,700 options , 162,500 options and 110,000 options will vest in the year 2012-13, 2013-14 and 2014-15 respectively

2. RESERVES & SURPLUS

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Revaluation Reserve | | |
| As Per Last Balance Sheet | 144,435,349 | 145,536,043 |
| Less: Depreciation on Revalued Amount (i) | 37,976 | 37,976 |
| On sale of Revalued Assets | - | 1,062,718 |
| | 144,397,373 | 144,435,349 |
| Securities Premium Reserve | | |
| As Per Last Balance Sheet | 515,835,627 | 631,031,740 |
| Additions During The Year (ii) | 11,792,407 | 4,403,430 |
| Less: Transferred on demerger of real Estate & Warehousing Division | | 119,599,543 |
| | 527,628,034 | 515,835,627 |
| Share Options Outstanding Account | | |
| As Per Last Balance Sheet | 15,407,760 | 6,486,800 |
| Add : Created against stock option granted during the year (iii) | 11,577,500 | 11,290,000 |

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Less : Transferred to Security premium reserve (iv) | 5,951,648 | 2,284,305 |
| Reversed on Cancellation of Options not exercised (v) | 274,392 | 84,735 |
| | 20,759,220 | 15,407,760 |
| Capital Redemption Reserve | | |
| As Per Last Balance Sheet | 19,400,000 | 19,400,000 |
| Capital Reserve | | |
| As Per Last Balance Sheet | - | 407,058,452 |
| Less: Transferred on demerger of real Estate & Warehousing Division | - | 407,058,452 |
| | - | - |
| Exchange Difference on Consolidation | 10,834,093 | 1,518,154 |
| General Reserve | | |
| As Per Last Balance Sheet | 2,070,000,000 | 1,650,000,000 |
| Add: Transferred from Statement of Profit and Loss | 414,312,000 | 420,000,000 |
| Transferred from reserve under Section 33AC of Income Tax Act (vi) | 47,700,000 | |
| | 2,532,012,000 | 2,070,000,000 |
| Reserve Under Section 33AC of Income Tax Act 1961 | | |
| As Per Last Balance Sheet | 47,700,000 | 47,700,000 |
| Less: Utilised / transferred during the year (vi) | 47,700,000 | - |
| | - | 47,700,000 |
| Tonnage Tax Reserve | | |
| As Per Last Balance Sheet (Utilized) (viii) | 112,500,000 | 102,500,000 |
| Add: Transferred from Statement of Profit and Loss (vii) | 20,300,000 | 10,000,000 |
| | 132,800,000 | 112,500,000 |
| Surplus | | |
| As per Last Balance Sheet | 180,362,098 | 189,663,916 |
| Add: Profit for the year | 595,056,813 | 501,342,464 |
| Less: Interim dividend | 29,153,053 | 29,035,448 |
| Proposed Dividend | 49,509,261 | 40,214,408 |
| Tax on dividend | 12,762,086 | 11,394,426 |
| Transferred to: | | |
| General Reserve | 414,312,000 | 420,000,000 |
| Tonnage Tax Reserve | 20,300,000 | 10,000,000 |
| Closing Balance | 249,382,511 | 180,362,098 |
| Total | 3,637,213,230 | 3,107,158,988 |

- (i) Transferred to Statement of Profit and Loss being depreciation provided on revalued amount
- (ii) On allotment of equity shares under Employees' Stock Option Scheme.
- (iii) In respect of options granted under the Employees' Stock Option Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options (based on market value of share on the date of grant of options minus option price) is accounted as deferred employee compensation, which is amortised on a straight line basis over the vesting period. Consequently salaries, wages and bonus includes Rs. 69,73,760 being amortisation of deferred employee compensation
- (iv) Transferred to Security Premium on allotment of equity shares during the year under Employees' Stock Option Scheme.
- (v) Reversed on cancellation of Options not exercised
- (vi) Amount utilized for acquisition of Ships, transferred to General Reserve.
- (vii) Transferred from Statement of Profit and Loss.
- (viii) Balance utilized for acquisition of Ships

3. LONG TERM BORROWINGS

| Particular | Non-Current | | Current | |
|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 31 st March 2012 | 31 st March 2011 | 31 st March 2012 | 31 st March 2011 |
| | Rupees | Rupees | Rupees | Rupees |
| Secured | | | | |
| Term loans | | | | |
| From Banks | 659,170,444 | 737,333,973 | 374,766,610 | 453,243,959 |
| From Others | 177,407,160 | 78,647,404 | 40,854,584 | 33,651,675 |
| Unsecured | | | | |
| Fixed Deposits | 2,693,000 | 4,397,500 | 1,789,500 | 2,252,000 |
| Total | 839,270,604 | 820,378,877 | 417,410,694 | 489,147,634 |

Other Information pertaining to nature of security

| Particulars of Nature of Security | Secured to the Extent | |
|--|--------------------------------|--------------------------------|
| | 31 st March 2012 | 31 st March 2011 |
| | Rupees | Rupees |
| Term Loans from Banks | | |
| 1025 nos. of General Cargo Containers and Property at D-29-2-26, Allipuram Ward, Vishakhapatnam | 92,333,333 | 129,333,333 |
| Properties situated at (1) Gut no. 623, 624 & 625/1, Village Mahalunge (Ingle), Taluka Khed, Chakan, Distt. Pune and (2) Plot no 18, Block 32, Sy. No. 96/1/A, Auto Nagar, Vanasthalipuram, Ranga Reddy, Hyderabad. | 120,000,000 | 162,500,000 |
| Land including WindMill of 2.50 MW installed thereon at Sangli (Maharashtra) | 1,777,645 | 6,135,343 |
| | 35,140,593 | 65,096,926 |
| Land including WindMill of 2.50 MW installed thereon at Sodamada (Rajasthan) | - | 11,861,127 |
| Properties situated at (1) Hadbast no. 234, Khewat/ Jambanch no. 115/125, Village Chak Gurjan, Distt. Hoshiarpur (Punjab) (2) Flat no. 306, 3rd Floor, Ashoka Bhoopal Chambers, 1-8-271 to 273, 146/A, Sardar Patel Road, Secunderabad (3) Property at Flat no. 307 3rd Floor, Ashoka Bhoopal Chambers, 1-8-271 to 273, 146/A, S. P. Road, Secunderabad (AP) | - | 31,269,553 |
| Properties situated at (1) Khasra no. 79, Mouza-Chimnazari, P.H. no. 84, N.H. 7, Dist. Nagpur, (2) Village Jhundsarai Viran, Faruknagar, Pataudi, Gurgaon, (3) Survey no. 10/6B, 105/10B, 117/3B and 117/6B at no. 155, Mambakkam Village, Sriperembudur Taluk, Distt. Kancheepuram and a Ship TCI- Surya | - | 122,322,264 |
| Trucks and Cars acquired against individual loan | 653,839,038 | 575,828,183 |
| Term Loans of Joint Venture : Transystem Logistics Internation Pvt Ltd. Loans secured by hypothecation of trucks & trailers | 99,980,430 | 55,513,709 |
| Term Loans of Subsidiary : TCI Global (Singapore) Pte Ltd . Loans secured by legal mortgage of leasehold property of the Company (* refer note below) | 30,866,015 | 30,717,494 |
| Sub-total | 1,033,937,054 | 1,190,577,932 |
| Term Loans from Others | | |
| Land including Windmill of 1.50 KW installed thereon at Jharandi (Maharashtra) | 40,067,000 | 46,479,000 |
| (1) Trucks and (2) Secured by first charge on the mortgage of TCI Prabhu | 175,897,417 | 46,998,677 |
| Trucks acquired against individual loan | 2,297,327 | 18,821,402 |
| Sub-total | 218,261,744 | 112,299,079 |
| Total | 1,252,198,798 | 1,302,877,011 |

4. DEFERRED TAX LIABILITY (Net)

| Particular | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|--|---------------------------------------|---------------------------------------|
| Difference between book and tax depreciation | 334,681,497 | 318,848,339 |
| Disallowance under Income tax Act | (10,580,228) | (5,242,538) |
| Other Items | (6,816,311) | (1,294,000) |
| Total | 317,284,958 | 312,311,801 |

5. OTHER LONG TERM LIABILITIES

| | | |
|---|---------|---|
| Interest accrued on cumm. fixed deposit | 239,689 | - |
|---|---------|---|

6. LONG TERM PROVISIONS

| | | |
|----------------------------------|---|----------|
| Provision for Employees Benefits | - | 4,93,892 |
|----------------------------------|---|----------|

7. SHORT TERM BORROWINGS

| | | |
|--|----------------------|----------------------|
| Secured | | |
| Working capital loans | | |
| From Bank (i) | 1,002,643,779 | 1,087,129,907 |
| Unsecured | | |
| Other loans | | |
| From Banks (ii) | 1,150,000,000 | 650,000,000 |
| From Others | - | 100,000,000 |
| From Directors | 642,880 | 589,863 |
| Total | 2,153,286,659 | 1,837,719,770 |
| (i) Working capital loans are secured by hypothecation of books debts as primary security along with land properties as collateral | | |
| (ii) Commercial Paper | | |

8. TRADE PAYABLE

| | | |
|-----------------------|-------------|-------------|
| Other than acceptance | 873,469,866 | 705,100,541 |
|-----------------------|-------------|-------------|

9. OTHER CURRENT LIABILITIES

| | | |
|--|--------------------|--------------------|
| Current maturities of long-term debt | | |
| From Banks | 374,766,610 | 453,243,959 |
| From Other | 40,854,584 | 33,651,675 |
| Current maturities of deposits | 1,789,500 | 2,252,000 |
| Overdrawn bank balance | 1,095,106 | 838,440 |
| Interest accrued but not due on borrowings | 6,132,791 | 7,137,035 |
| Interest accrued and not due on fixed deposits | 648,902 | 684,808 |
| Unpaid /Unclaimed dividends | 6,712,878 | 5,898,529 |
| Unclaimed fixed deposits | 166,320 | 176,320 |
| Advances from customers | 555,655 | 3,407,525 |
| Trade / security deposits | 35,482,594 | 33,621,749 |
| Due to gratuity fund | 16,712,545 | 11,748,545 |
| Payables on purchase of fixed assets | 1,085,296 | - |
| Statutory remittances | 28,391,777 | 77,622,247 |
| Total | 514,394,558 | 630,282,832 |

There is no amount due and outstanding to be credited to the Investor Education & Protection Fund

10. SHORT TERM PROVISIONS

| | | |
|----------------------------------|--------------------|--------------------|
| Provision for employees benefits | 53,107,112 | 56,251,388 |
| Others | | |
| Proposed dividend | 49,509,261 | 40,214,408 |
| Tax on proposed dividend | 8,032,731 | 6,523,783 |
| Taxation (net of advance tax) | 116,821,597 | 228,318,158 |
| Total | 227,470,701 | 331,307,737 |

11. Fixed Assets

I. Tangible Assets

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET CARRYING VALUE | | | |
|--------------------------------|------------------|----------------------|---------------------------|----------------------------|------------------|------------------|----------------------|--------------|--------------------------|--------------------|-----------------------------|-----------------------------|
| | As at 01.04.2011 | Transfer on demerger | Additions during the year | Deductions during the year | As at 31.03.2012 | Up to 31.03.2011 | Transfer on demerger | For the Year | Adjustment on Deductions | Total Depreciation | 31 st March 2012 | 31 st March 2011 |
| Land | 620,362,079 | - | 257,247,909 | 1,114,653 | 876,495,335 | - | - | - | - | - | 876,495,335 | 620,362,079 |
| Buildings (c) | 659,792,474 | - | 189,831,941 | 2,367,900 | 847,256,515 | 76,475,861 | - | 12,875,899 | 278,077 | 89,073,683 | 758,182,832 | 583,316,613 |
| Ships | 657,506,927 | - | 216,728,823 | 30,936,646 | 843,299,104 | 265,267,534 | - | 37,548,114 | 28,244,158 | 274,571,490 | 568,727,614 | 392,239,393 |
| Motor Trucks | 1,958,748,472 | - | 305,270,324 | 116,008,379 | 2,148,010,417 | 1,022,748,081 | - | 250,682,081 | 110,053,888 | 1,163,376,274 | 984,634,143 | 936,000,391 |
| Vehicles | 114,958,013 | - | 36,448,990 | 20,161,281 | 131,245,722 | 31,850,424 | - | 11,431,543 | 10,297,247 | 32,984,720 | 98,261,002 | 83,107,589 |
| Plant and Equipment | 653,838,563 | - | 44,803,523 | 1,454,439 | 697,187,647 | 189,221,019 | - | 38,072,422 | 1,342,541 | 225,950,900 | 471,236,747 | 464,617,544 |
| Computers | 147,299,400 | - | 21,861,509 | 23,014,987 | 146,145,922 | 68,506,845 | - | 23,176,640 | 22,336,345 | 69,347,140 | 76,798,782 | 78,792,555 |
| Containers | 133,949,016 | - | 1,742,813 | 75,989 | 135,615,840 | 27,531,445 | - | 6,436,050 | 12,638 | 33,954,857 | 101,660,983 | 106,417,571 |
| Furniture & Fixtures | 136,117,688 | - | 27,418,421 | 334,881 | 163,201,228 | 66,138,656 | - | 9,390,436 | - | 75,529,092 | 87,672,136 | 69,979,032 |
| Office & Equipments | 82,695,267 | - | 6,868,780 | 1,112,228 | 88,451,819 | 47,733,003 | - | 4,326,149 | 277,503 | 51,781,649 | 36,670,170 | 34,962,264 |
| Weighing Scales & Chain Pulley | 4,858,425 | - | 45,071 | - | 4,903,496 | 2,164,059 | - | 204,497 | - | 2,368,556 | 2,534,940 | 2,694,366 |
| SUB-TOTAL | 5,170,126,324 | - | 1,108,268,104 | 196,581,383 | 6,081,813,045 | 1,797,636,927 | - | 394,143,831 | 172,842,397 | 2,018,938,361 | 4,062,874,684 | 3,377,929,935 |

II. Intangible Assets

| | | | | | | | | | | | | |
|-------------------|-------------|---|------------|---|-------------|------------|---|------------|---|------------|------------|------------|
| Computer Software | 113,995,191 | - | 31,304,241 | - | 145,299,432 | 27,710,509 | - | 21,579,040 | - | 49,289,549 | 96,009,883 | 86,284,682 |
|-------------------|-------------|---|------------|---|-------------|------------|---|------------|---|------------|------------|------------|

III. Capital Work in Progress

| | | | | | | | | | | | | |
|--------------------------|----------------------|-------------|----------------------|--------------------|----------------------|----------------------|-----------|--------------------|--------------------|----------------------|----------------------|----------------------|
| Capital Work In Progress | 66,839,394 | - | 132,184,188 | 120,807,383 | 78,216,198 | - | - | - | - | - | 78,216,198 | 66,839,394 |
| TOTAL | 5,350,960,909 | - | 1,271,756,533 | 317,388,766 | 6,305,328,675 | 1,825,347,436 | - | 415,722,871 | 172,842,397 | 2,068,227,910 | 4,237,100,765 | 3,525,613,473 |
| Previous Year | 5,083,265,739 | 496,947,151 | 945,927,361 | 181,285,040 | 5,350,960,909 | 1,574,294,531 | 6,149,952 | 353,157,645 | 95,954,788 | 1,825,347,436 | 3,525,613,473 | 3,508,971,208 |

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

| | 31 st March 2012 | 31 st March 2011 |
|---|-----------------------------|-----------------------------|
| Depreciation for the year | 415,722,874 | 353,157,645 |
| Less: Transfer from revaluation reserve on account of Depreciation on revalued amount | 37,976 | 37,976 |
| Net depreciation charged to Statement of Profit and Loss | 415,684,898 | 353,119,669 |

- (c) Building include those on leasehold land

12. NON-CURRENT INVESTMENT

| Particulars | 31 st March 2012 | | 31 st March 2011 | |
|---|-----------------------------|-------------------|-----------------------------|-------------------|
| | Nos. | Rupees | Nos. | Rupees |
| Long Term Investments (At Cost) | | | | |
| Trade Investments: | | | | |
| Fully Paid Equity Shares of Associates Stock Companies | | | | |
| Unquoted:- | | | | |
| Associates | | | | |
| TCI Developers Ltd. of Rs.10 each | - | - | 100,000 | 1,000,000 |
| XPS Cargo Services Ltd. of Rs 10 each | 316,816 | 3,504,480 | 316,815 | 3,504,480 |
| Investments in Partnership Firms: | | | | |
| TCI Properties (GUJ) | | - | - | 1,118 |
| TCI Properties (NCR) | | - | - | 1,025 |
| TCI Properties (Delhi) | | - | - | 2,593 |
| TCI Properties (South) | | - | - | 1,093 |
| TCI Warehousing (MH) | | - | - | 1,020 |
| Sub-total | | 3,504,480 | | 4,511,329 |
| Non-Trade | | | | |
| Quoted- | | | | |
| Fully Paid Equity Shares: | | | | |
| Associates | | | | |
| TCI Developers Ltd. of Rs.10 each | 100,000 | 1,000,000 | - | - |
| Others | | | | |
| Infosys Technologies Ltd.of Rs 5 each | 1,200 | 1,852,020 | 1,200 | 1,852,020 |
| Edelweiss Capital Ltd of Rs 1 each | 9,820 | 1,243,342 | 9,820 | 1,243,342 |
| Reliance Industries Ltd of Rs 10 each | 3,624 | 2,752,134 | 3,624 | 2,752,134 |
| Mutual Funds: | | | | |
| UTI Balanced Funds (Sold during the year) | - | - | 3,105 | 67,655 |
| JM Basic Fund | 149,753 | 5,000,000 | 149,753 | 5,000,000 |
| Debentures and Bonds | | | | |
| National Highway Authority of India - 1236 Bonds of Rs 1,000 each | 1,236 | 1,236,000 | - | - |
| Sub-total | | 13,083,496 | | 10,915,151 |
| Total | | 16,587,976 | | 15,426,480 |
| Market value of quoted investments | | 21,346,721 | | 10,370,376 |

13. LONG TERM LOANS & ADVANCES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Unsecured | | |
| Capital advances | 108,189,302 | 99,117,067 |
| Security deposits with customers | 54,096 | 45,864 |
| Prepaid expenses | 41,202 | 33,298 |
| Advance & deposits with others | 9,944,432 | 274,721 |
| | 118,229,032 | 99,470,951 |
| Considered good | 108,559,321 | 99,470,951 |
| Considered doubtful | 9,669,711 | - |
| Less: Provision made for doubtful advances & deposits | (9,669,711) | - |
| Total | 108,559,321 | 99,470,951 |

14. OTHER NON-CURRENT ASSETS

| | | |
|---|-----------|-----------|
| Deferred employee stock option compensation | 5,820,415 | 5,373,658 |
|---|-----------|-----------|

15. INVENTORIES (As taken, valued and certified by the management)

| | | |
|---|-------------------|-------------------|
| At lower of cost and net realisable value | | |
| Ship fuels & consumables | 19,636,836 | 14,068,324 |
| Other consumables | - | 237,104 |
| Total | 19,636,836 | 14,305,428 |

16. TRADE RECEIVABLE

| | | |
|---|----------------------|----------------------|
| Unsecured | | |
| Outstanding for more than six month from the due date | | |
| Considered good | 137,704,719 | 99,295,131 |
| Considered Doubtful | 5,000,000 | 2,000,000 |
| Less: Provision for doubtful debt | (5,000,000) | (2,000,000) |
| | 137,704,719 | 99,295,131 |
| Others | 3,226,794,584 | 3,109,112,219 |
| Total | 3,364,499,303 | 3,208,407,350 |

17. CASH & BANK BALANCE

| | | |
|---------------------------------------|--------------------|--------------------|
| Cash on hand | 16,968,737 | 6,335,140 |
| Balances with banks | | |
| In current accounts | 112,591,335 | 71,025,434 |
| In EEFC accounts | 285,234 | 404,943 |
| In deposit accounts | 170,737,183 | 98,875,942 |
| Unpaid dividend accounts (Earmarked) | 6,712,878 | 5,898,529 |
| Total | 307,295,368 | 182,539,988 |

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

18. OTHER SHORT TERM LOANS & ADVANCES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|------------------------------------|---------------------------------------|---------------------------------------|
| Unsecured considered good | | |
| Advances & deposits with Landlords | 112,012,576 | 93,797,114 |
| Security deposits with customers | 108,210,096 | 106,033,993 |
| Loans and advances to employees | 10,338,096 | 10,725,578 |
| Prepaid expenses | 34,416,903 | 12,722,005 |
| CENVAT credit receivable | 2,505,744 | 1,346,734 |
| Tax deducted at source | 296,548,582 | 393,791,638 |
| Accrued Income | 6,196,593 | 6,264,305 |
| Operational advances | 94,708,762 | 236,435,343 |
| Total | 664,937,352 | 861,116,710 |

19. OTHER CURRENT ASSETS

| | | |
|---|------------------|------------------|
| Deferred employee stock option compensation | 7,962,666 | 4,080,075 |
| Preliminary expenses | 871,583 | 1,300,812 |
| Total | 8,834,249 | 5,380,887 |

In the opinion of the Board, assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated

20. REVENUE FROM OPERATIONS

| | | |
|--|-----------------------|-----------------------|
| Freight, Demurrage and Miscellaneous Charges | 18,528,643,385 | 17,669,860,461 |
| Sales | 72,877,906 | 88,690,636 |
| Logistics and Other Services | 923,392,747 | 741,456,296 |
| Clearing and Forwarding Services | 12,570,488 | 12,578,314 |
| Total | 19,537,484,526 | 18,512,585,707 |

21. OTHER INCOME

| | | |
|--|-------------------|-------------------|
| Rent | 4,542,425 | 2,482,267 |
| Dividends | 4,209,281 | 4,218,339 |
| Miscellaneous Income | 6,612,042 | 17,643,837 |
| Profit on sale of fixed assets (net) | | |
| On ships | 19,807,511 | - |
| On other assets | 1,256,031 | 3,477,030 |
| Unspent liabilities/excess provisions written back | 5,407,079 | 199,932 |
| Bad Debts and Irrecoverable Balances written off earlier, realised | 3,498,852 | 8,851,947 |
| Interest Received | 11,350,886 | 9,639,528 |
| Share of profits in partnership firm | - | 280 |
| Exchange rate difference (net) | - | 4,800,121 |
| Total | 56,684,107 | 51,313,281 |

22. COST OF GOODS SOLD

| | | |
|----------|-----------|------------|
| Purchase | 2,576,138 | 24,144,138 |
|----------|-----------|------------|

23. OPERATING EXPENSES

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Freight | 12,575,546,728 | 12,212,484,622 |
| Vehicles' Trip Expenses | 1,494,454,675 | 1,457,691,612 |
| Tyres & Tubes etc. | 88,074,029 | 82,980,037 |
| Warehouse Rent | 148,441,924 | 123,225,214 |
| Warehouse Expenses | 389,660,539 | 321,904,345 |
| Other Transportation Expenses | 219,856,040 | 251,078,944 |
| Claims for loss & damages (Net) | 14,752,003 | 13,844,980 |
| Commission | 1,359,502 | 22,258,268 |
| Vehicles' Taxes | 43,375,297 | 38,854,947 |
| Vehicles' and Ship Insurance | 29,835,455 | 17,137,009 |
| Power, Fuel and Water Charges | 243,818,934 | 150,141,991 |
| Stores & Spare Parts Consumed | 50,803,514 | 32,186,560 |
| Port and Survey Expenses | 38,560,675 | 32,287,567 |
| Stevedoring and Cargo Expenses | 177,200,588 | 194,922,514 |
| Wages, Bonus and Other Expenses - floating Staff | 103,713,957 | 95,677,660 |
| Contribution to Provident & Other funds -floating Staff | 455,750 | 423,241 |
| Clearing and forwarding Expenses | 63,299,280 | 57,071,239 |
| Total | 15,683,208,890 | 15,104,170,750 |

24. EMPLOYEES BENEFITS EXPENSES

| | | |
|--|----------------------|--------------------|
| Salaries, Wages & Bonus | 818,387,272 | 734,726,784 |
| Contribution to Provident & Other funds | 82,329,068 | 66,333,602 |
| Contribution to Employees' State Insurance | 20,093,280 | 16,812,965 |
| Staff Welfare & Development Expenses | 87,552,563 | 67,968,192 |
| Employees Stock Option Scheme | 6,973,760 | 6,048,569 |
| Total | 1,015,335,943 | 891,890,112 |

25. OTHER EXPENSES

(A) ADMINISTRATIVE EXPENSES

| | | |
|--------------------------------------|-------------|-------------|
| Rent | 189,811,037 | 158,266,109 |
| Rates and Taxes | 13,835,449 | 15,177,448 |
| Insurance | 8,332,261 | 7,129,247 |
| Telephone Expenses | 44,444,634 | 45,494,777 |
| Printing and Stationery | 32,472,028 | 30,164,448 |
| Travelling Expenses | 143,730,381 | 127,581,334 |
| Legal Expenses | 11,404,131 | 17,074,114 |
| Postage and Telegram | 16,566,738 | 7,376,379 |
| Electricity Expenses | 32,192,737 | 28,291,426 |
| Bank Charges | 13,885,913 | 17,385,398 |
| Advertisement Expenses | 10,772,002 | 12,797,533 |
| Office Maintenance & Security exp. | 161,338,088 | 94,139,457 |
| E mail/I. net/Telex Expenses | 30,837,274 | 28,591,435 |
| Consultancy & Internal Audit fee (i) | 16,918,088 | 17,142,480 |
| Conference & Seminar exp. | 11,273,013 | 14,309,664 |

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Miscellaneous Expenses | 73,578,270 | 45,565,478 |
| Commission & Fee's to Directors | 2,800,000 | 2,085,000 |
| Remuneration to Auditors | | |
| Audit Fees | 2,901,446 | 2,212,260 |
| Tax Audit Fees | 494,921 | 481,681 |
| Other Services | 83,520 | 4,520 |
| Lease Rent Payments | 1,863,105 | 260,920 |
| Bad Debts and Irrecoverable Balances Written off (ii) | 40,009,106 | 17,765,378 |
| Agricultural Expenses (Net of income) | 860,737 | 246,045 |
| Charity & Donations | 29,074,856 | 31,458,326 |
| Loss on sale of Investment in subsidiary | - | 31,065,461 |
| Exchange Difference | 4,376,005 | - |
| Preliminary Expenses W/O | 440,245 | 639,129 |
| Sales tax & Entry Tax | 483,422 | - |
| Sub-total | 894,779,407 | 752,705,447 |

(i) Includes Rs 13,50,000 paid to two directors for services of a professional nature (Previous year Rs 22,50,000)

(ii) Includes provision of Rs 126,69,710 (Previous year - Rs. 2,000,000)

(B) REPAIRS & MAINTENANCE EXPENSES

| | | |
|----------------------|----------------------|----------------------|
| Motor Trucks | 199,964,376 | 172,135,577 |
| Other Vehicles | 31,381,665 | 30,708,203 |
| Ships | 20,881,515 | 13,839,678 |
| Dry Docking Expenses | 56,893,906 | 85,092,009 |
| Plant & Machinery | 27,932,953 | 19,156,933 |
| Computers | 22,860,657 | 18,253,591 |
| Buildings | 17,240,355 | 13,730,610 |
| Sub-total | 377,155,427 | 352,916,601 |
| Total | 1,271,934,834 | 1,105,622,048 |

26. FINANCE COST

| | | |
|-------------------|-------------|-------------|
| Interest expenses | 349,999,426 | 265,918,291 |
|-------------------|-------------|-------------|

- 27 The Consolidated Financial Statement include results of all the subsidiaries, step-down subsidiaries and joint ventures of Transport Corporation of India Limited.

| Sl. | Name of the Company | Country of Incorporation | % of Shareholding | Consolidated as |
|-----|--|--------------------------|-------------------|----------------------|
| 1 | Ann-Sofie Scan ApS | Denmark | 50% | Joint Venture |
| 2 | Transystem Logistics International Pvt. Ltd. | India | 49% | Joint Venture |
| 3 | PT. TCI Global | Indonesia | 100% | Step-down Subsidiary |
| 4 | TCI Global (HKG) Ltd. | Hong Kong | 100% | Step-down Subsidiary |
| 5 | TCI Global (Thailand) Co. Ltd. | Thailand | 100% | Step-down Subsidiary |
| 6 | TCI Global Pte Ltd. | Singapore | 100% | Step-down Subsidiary |
| 7 | TCI Global Logistik GmbH | Germany | 100% | Step-down Subsidiary |
| 8 | TCI Global Netherlands B. V. | Netherlands | 100% | Step-down Subsidiary |
| 9 | TCI Holdings Asia Pacific Pte. Ltd. | Singapore | 100% | Step-down Subsidiary |
| 10 | TCI Global (Malaysia) Sdn Bhd | Malaysia | 100% | Step-down Subsidiary |
| 11 | TCI Global Brazil Logistica Ltda | Brazil | 100% | Step-down Subsidiary |
| 12 | TCI Holdings Netherlands B.V. | Netherlands | 100% | Step-down Subsidiary |
| 13 | TCI Holdings SA & E PTE LTD | Singapore | 100% | Step-down Subsidiary |
| 14 | TCI Scan Denmark ApS (15 August, 2011)* | Denmark | 100% | Step-down Subsidiary |
| 15 | TCI Express Pte. Ltd. | Singapore | 100% | Subsidiary |
| 16 | TCI Global Holdings (Mauritius) Ltd. | Mauritius | 100% | Subsidiary |
| 17 | TCI Global (Shanghai) Co. Ltd. | China | 100% | Subsidiary |
| 18 | Transport Co of India (Mauritius) Ltd. | Mauritius | 100% | Subsidiary |
| 19 | TCI Properties (Pune) Ltd. | India | 100% | Subsidiary |
| 20 | TCI Distribution Centers Ltd. | India | 73.92% | Subsidiary |
| 21 | Infinite Logistics Solutions Pvt. Ltd. | India | 51% | Subsidiary |

*TCI Scan Denmark ApS has been liquidated during the year.

- (a) The financial statements of these companies are for the period as under:-

| Sl. | Name of the Company | Period | | Remarks |
|-----|--|------------------------------|--------------------------------|-------------------------------|
| | | From | To | |
| 1 | Ann-Sofie Scan ApS | 1 st January 2011 | 31 st December 2012 | Financial year of the company |
| 2 | Transystem Logistics International Pvt. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 3 | PT. TCI Global | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 4 | TCI Global (HKG) Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 5 | TCI Global (Thailand) Co. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 6 | TCI Global Pte Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 7 | TCI Global Logistik GmbH | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 8 | TCI Global Netherlands B. V. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 9 | TCI Holdings Asia Pacific Pte. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 10 | TCI Global (Malaysia) Sdn Bhd | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 11 | TCI Global Brazil Logistica Ltda | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 12 | TCI Holdings Netherlands B.V. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 13 | TCI Express Pte. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 14 | TCI Scan Denmark ApS | 1 st January 2011 | 15 th August 2011 | Financial year of the company |
| 15 | TCI Global Holdings (Mauritius) Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 16 | TCI Global (Shanghai) Co. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 17 | Transport Co of India (Mauritius) Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 18 | TCI Holdings SA & E PTE LTD | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 19 | TCI Properties (Pune) Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 20 | TCI Distribution Centers Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |
| 21 | Infinite Logistics Solutions Pvt. Ltd. | 1 st April 2011 | 31 st March 2012 | Financial year of the company |

- (b) Financial statements of subsidiaries viz. TCI Global Logistik GmbH, TCI Global Netherlands B.V., TCI Holdings SA&E Pte Ltd and TCI Holdings Netherlands B.V. which reflect total assets of Rs 5.70 million as at 31st March 2012, total revenue of Rs Nil million and loss of Rs 2.17 million for the year ended 31st March 2012 have not been audited.
- (c) The Consolidated financial statements have been prepared on the following principles:
- In respect of Subsidiary Companies, the financial statements have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Accounting Standard-AS 21 "Consolidated Financial Statement".
 - In case of Joint Venture Companies, the financial statements have been consolidated considering the interest in the joint ventures using proportionate consolidation method as per the Accounting Standard - AS - 27 "Financial Reporting of Interest in Joint Ventures".
 - In case of foreign subsidiary and joint venture, being Non-Integral Foreign Operations, revenue items are consolidated at the exchange difference arising on consolidated is recognised as "Exchange Difference on Consolidation"
 - The Excess of cost to the Company of its investment in subsidiary and joint venture companies is recognised in the financial statements as a 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

28 RELATED PARTY DISCLOSURES

| | |
|--|---|
| I. 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. Priyanka Agarwal (Wife of Mr. Vineet Agarwal) | |
| iii. Associates: | |
| TCI Global Logistics Ltd | TCI Exim Pvt. Ltd. |
| Bhoruka Finance Corporation of India Ltd | XPS Cargo Services Ltd |
| TCI Industries Ltd | TCI India Ltd |
| Bhoruka International Pvt. Ltd | TCI Warehousing (MH) – Partnership firm |
| TCI Properties (Guj) – Partnership firm | TCI Properties (South) – Partnership firm |
| TCI Properties (Delhi) – Partnership firm | TCI Properties (NCR) – Partnership firm |
| TCI Developers Ltd. | TCI Infrastructure Ltd. |
| TCI Properties (West) Ltd. | |

II.Transactions with Related Parties:

| Nature of Transaction | Nature of Relation | Amount (Rupees) | Amount (Rupees) |
|------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
| Transactions during the year: | | 31 st March 2012 | 31 st March 2011 |
| Income: | | | |
| Freight Income | Associates | 30,839 | 546,403 |
| Interest Received | Associates | 161,315 | - |
| Expenditure: | | | |
| Fuel Purchases | Associates | 50,439,205 | 52,894,137 |
| Clearing & Forwarding Services | Associates | | 483,114 |
| Rent Paid | Associates | 37,973,267 | 32,931,876 |
| | Key Management Personnel | 784,600 | 768,600 |
| | Relatives of Key Management Personnel | 600,000 | 600,000 |
| Interest Paid | Associates | 150,607 | 3,465,335 |
| Remuneration and Commission | Key Management Personnel | 83,292,327 | 76,566,834 |
| Finance & Investment: | | | |
| Loans Given | Associates | 8,000,000 | - |
| Refund of Loans Given | Associates | 8,000,000 | - |
| Loans Taken | Associates | 5,500,000 | 54,068,796 |
| Refund of Loans Taken | Associates | 5,500,000 | 54,068,796 |
| Advances/ Deposits Given | Associates | 3,955,452 | 1,747,332 |
| Advances/ Deposits Taken | Key Management Personnel | 2,000,000 | 2,218,189 |
| Refund of Advances/ Deposits Taken | Key Management Personnel | 101,966 | 2,271,931 |

III. Balances as at the year end

| Assets: | | 2011-12 | 2010-11 |
|--------------------------|---------------------------------------|----------------|----------------|
| Investments Made | Associates | 67,637,000 | 4,000,000 |
| Trade Receivables | Associates | 86221 | - |
| Advances/ Deposits Given | Associates | 22,202,980 | 16,497,332 |
| | Key Management Personnel | 640,500 | 640,500 |
| | Relatives of Key Management Personnel | 240,000 | 240,000 |
| Liabilities: | | | |
| Trade Payables | Associates | 148,433 | 2,330,592 |
| Advances/ Deposits Taken | Key Management Personnel | 642,880 | 544,846 |

29. SEGMENT INFORMATION

| Particulars | Divisions | 31st March 2012 Rupees in millions | 31st March 2011 Rupees in millions |
|---|---------------------------------|--|--|
| 1 Segment Revenue | | | |
| | Freight Division | 7880.10 | 8120.40 |
| | XPS Division | 4953.20 | 4595.20 |
| | Supply Chain Solutions Division | 5825.20 | 4828.00 |
| | Seaways Division | 930.80 | 735.30 |
| | Energy Division | 72.90 | 63.80 |
| | Global Division | 241.40 | 486.40 |
| | Unallocable & Corporate | 11.50 | 13.70 |
| Total | | 19,915 | 18,843 |
| Less: Inter Segment Revenue | | 321 | 279 |
| Net Sales/Income from Operations | | 19,594 | 18,564 |
| 2 Segment Results | | | |
| | Freight Division | 242.60 | 326.40 |
| | XPS Division | 381.80 | 348.90 |
| | Supply Chain Solutions Division | 506.00 | 392.70 |
| | Seaways Division | 116.30 | 62.60 |
| | Energy Division | 32.60 | 24.10 |
| | Global Division | (76.00) | (50.60) |
| Total | | 1203.30 | 1104.10 |
| Unallocated Corporate Income net of Unallocated Corporate Expenses | | (2.20) | 20.20 |
| Interest Expenses (Net of Income) | | 350.00 | 265.90 |
| Profit Before Tax | | 855.50 | 818.00 |
| Other Information | | | |
| Segment Assets | | | |
| | Freight Division | 1921.82 | 1767.29 |
| | XPS Division | 974.53 | 1001.92 |
| | Supply Chain Solutions Division | 2365.26 | 2015.76 |
| | Seaways Division | 882.65 | 737.09 |
| | Energy Division | 374.40 | 399.33 |
| | Global Division | 148.30 | 209.14 |
| | Unallocated Corporate Assets | 1889.67 | 1871.01 |
| Total Assets | | 8556.63 | 8001.54 |
| Segment Liabilities | | | |
| | Freight Division | 129.32 | 122.69 |
| | XPS Division | 149.93 | 144.02 |
| | Supply Chain Solutions Division | 509.36 | 410.36 |

| Particulars | Divisions | 31 st March 2012 Rupees in millions | 31 st March 2011 Rupees in millions |
|----------------------------------|-----------------------------------|---|---|
| | Seaways Division | 17.15 | 21.19 |
| | Energy Division | - | 0.83 |
| | Global Division | 1.00 | 50.64 |
| | Unallocated Corporate Liabilities | 324.37 | 654.71 |
| Total Liabilities | | 1131.13 | 1404.44 |
| Capital Expenditure | Freight Division | 101.62 | 53.27 |
| | XPS Division | 54.66 | 58.36 |
| | Supply Chain Solutions Division | 339.76 | 603.21 |
| | Seaways Division | 221.18 | 5.57 |
| | Energy Division | - | - |
| | Global Division | 11.73 | 5.38 |
| | Unallocated Capital Expenditure | 422.00 | 150.67 |
| Total Capital Expenditure | | 1150.95 | 876.46 |
| Depreciation | Freight Division | 73.57 | 62.87 |
| | XPS Division | 53.24 | 56.35 |
| | Supply Chain Solutions Division | 214.13 | 165.69 |
| | Seaways Division | 44.71 | 38.06 |
| | Energy Division | 27.47 | 27.47 |
| | Global Division | 2.60 | 2.68 |
| Total Depreciation | | 415.72 | 353.12 |

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

30. CONTINGENT LIABILITIES & COMMITMENTS

| | | |
|--|--------|--------|
| (a) Contingent liabilities not provided in respect of following | | |
| Trade Tax/ Octroi/ Duty/ ESI and other demands under dispute | 42.95 | 38.15 |
| Guarantees and Counter Guarantees Outstanding | 221.85 | 319.95 |
| Income Tax demands under dispute | 447.01 | 336.97 |
| (b) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for net of advance on tangible assets | 102.27 | 29.86 |

31 EARNINGS PER SHARE

| Particulars | Unit | 31 st March 2012 | 31 st March 2011 |
|---|--------|-----------------------------|-----------------------------|
| Net Profit after tax available for equity share holders- for Basic and Diluted EPS | Rupees | 595,056,813 | 501,342,464 |
| Weighted average no. of Equity Shares for Basic EPS | Nos. | 72,682,644 | 72,571,329 |
| Add: Adjustments for stock options | Nos. | 288,971 | 55,366 |
| Weighted average no. of Equity Shares for Diluted EPS | Nos. | 72,971,616 | 72,626,695 |
| Nominal Value of Equity Shares | Rupees | 2.00 | 2.00 |
| Basic Earnings per Equity Share | Rupees | 8.19 | 6.91 |
| Diluted Earnings per Equity Share | Rupees | 8.15 | 6.90 |

32 In respect of assets taken under non-cancellable operating lease, the future minimum lease payments as on 31st March 2012 are:

| Particulars | 31 st March 2012 Rupees | 31 st March 2011 Rupees |
|---|---------------------------------------|---------------------------------------|
| Not later than one year | 1,842,055 | 2,075,807 |
| Later than one year and not later than five years | 221,185 | 221,185 |
| Later than five years | 168,400 | 189,450 |
| Total | 2,231,640 | 2,486,442 |

33 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.

34 Previous year figure's have been regrouped /rearranged wherever considered necessary

35. ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Recognition of Income and Expenditure

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

2. Gratuity and Leave Encashment

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

3. Depreciation

Depreciation is provided on straight-line method at rates specified in schedule XIV to the Companies Act, 1956 except for pallets and bins included under plant and machinery, the cost whereof are amortized over a period of five years from the date of purchase. Depreciation on additions/ deductions is calculated pro-rata from / to the month of addition / deduction. Individual assets whose actual cost does not exceed Rs. 5,000, except pallets and bins, are fully depreciated in the year of purchase.

4. Fixed Assets

- (a) Fixed Assets are stated at cost and/or at revaluation
- (b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from capital reserve created on revaluation of fixed assets to Profit and Loss Account

5. Investment

- (a) "Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments."
- (b) Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

6. Inventories

Inventories are valued at lower of cost and net realisable value

7. Foreign Exchange Transactions:

- (a) Initial recognition
All transactions in foreign currency are recorded at the rate of

exchange prevailing on the dates when the relevant transactions take place.

- (b) Measurement of foreign currency monetary items at the balance sheet date

Monetary items in foreign currency at the year end are converted in Indian Currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:

- (i) Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.
- (ii) In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance life of the long-term monetary item.
- (c) Treatment of exchange differences
Any income or expense on account of exchange difference either on settlement or translation is recognised in the profit and loss account
- (d) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

8. Taxation

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on assessable income. Provision for current income tax on income from shipping activities is made on the basis of deemed tonnage income of the Company.

The company, except for its Seaways division, provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected

9. Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.

- 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. Recognizing 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 Subsidiaries, Joint Ventures, to the extent, different and unique from parent.

(a) Transsystem Logistics International Private Limited

- (i) Depreciation on fixed assets is provided on straight-line method over their expected useful life at the rates given below and is different from the rates prescribed under schedule XIV of the Companies Act, 1956

| Category of assets | Rate applied % |
|---|----------------------|
| Tangible assets : | |
| Motor trucks and trailers (including accessories) | 20.00 / 50.00/100.00 |
| Plant and machinery | 10.00 |
| Furniture and fixtures | 12.50 |
| Office equipments | 16.67 |
| Computers | 25.00 |
| Motor cars and scooters | 20.00 |
| Tangible assets : | |
| Computer software | 25.00 |

- (ii) Buildings on lease-hold land is amortized over the period of lease or useful life of the assets whichever is less

(b) Ann-Sofie 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. |
| Plant and machinery | 25% p.a. |

- (iii) Deferred Tax

The company not doing deferred tax temporary differences between revenue and expenses for the purpose of commercial and tax.

(d) TCI Global (Shanghai) Co. Ltd

Depreciation method of fixed assets: The straight line method is used in computing the depreciation of fixed assets, and the depreciation rate is computed according to the original value of fixed assets and the deduction of residual value as per expected service life.

(e) TCI Global Pte. Ltd.

Depreciation is calculated on a straight-line method to write off the cost of the property, plant and equipment over their estimated useful lives at the following annual rates

| | |
|---------------------|----------|
| Leasehold Property | 60 years |
| Plant and machinery | 5 years |
| Computers | 3 years |
| Furniture & Fitting | 5 years |
| Renovation | 5 years |

(f) Transport Co of India (Mauritius) Ltd.

The financial statements have been prepared on a historical basis except trade and other receivables at amortized costs.

(g) TCI Global (HKG) Ltd

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong, that include Hong Kong Financial Reporting Standards (HKFRSs) and the requirements of the Hong Kong Companies Ordinance.

(h) TCI Holdings SA & E Pte Ltd, Singapore

The financial statements have been prepared in accordance with accounting principles generally accepted in Singapore as required by Singapore Companies ACT Chapter 50

In terms of our Report of even date

for **R S AGARWALA & Co.**
Chartered Accountants
Firm Regn. No. 304045E

R. S. Agarwala
Partner
Membership No. F-5534
Camp: Gurgaon
Date: 30th May, 2012

S. M. Datta
Chairman

Vineet Agarwal
Joint Managing Director
Place: Gurgaon
Date: 30th May, 2012

For and on behalf of the Board

O. Swaminatha Reddy
Director

Chander Agarwal
Executive Director

K. S. Mehta
Director

A. K. Bansal
Group CFO &
Company Secretary

D. P. Agarwal
Vice Chairman &
Managing Director

Ashish Tiwari
Group Head
Accounts & Taxation

Notice of Annual General Meeting

NOTICE is hereby given that the Seventeenth Annual General Meeting of Transport Corporation of India Limited will be held on Thursday, July 26th, 2012 at 11.00 A.M. 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:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31st, 2012, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend on Equity shares, if any.
3. To appoint a Director in place of Mr. S M Datta, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S N Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To take on record appreciation for the services rendered by Mr. R V Raghavan, Director of the Company who retires by rotation under Section 255 of the Companies Act, 1956.
6. To consider and appoint M/s R. S. Agarwala & Co., Chartered Accountants, Kolkata, the Statutory Auditors bearing Firm Registration No: 304045E 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, are the retiring auditors and being eligible offers themselves for re appointment.

SPECIAL BUSINESS:

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. 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 2012-13 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, bearing Firm Registration No: 304045E be and are hereby appointed as Branch Auditors for auditing the accounts of TCI Seaways Division of the Company for the year 2012-13 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."
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Ashish Bharat Ram, who was appointed as an additional director of the Company by the Board of Directors with effect from July 28, 2011 to hold office upto the date of next Annual General Meeting and in respect of whom the Company has received a letter in writing under Section 257 proposing his candidature for the office of director, be and is hereby appointed as Director of the Company, who will be liable to retire by rotation.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be expedient to give effect to this resolution."
10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of section 293 (1) (e) of the Companies Act, 1956, and other provisions, if any of the Companies Act, 1956 or rules made there under, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, of benevolent or general fund, society, association, institution, trust, organization, not directly relating to the business the Company or the welfare of its employee, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large and/or incur any expenditure on their behalf, upto an amount not exceeding to Rs. 5,00,00,000/- (Rupees Five Crore only) in any financial year, notwithstanding the fact that said amount may exceed Rs. 50,000 or 5% of the Company's average net profit as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the three years immediately preceding the current Financial Year, which ever is greater.
RESOLVED FURTHER THAT Mr. D P Agarwal, Vice Chairman & Managing Director, Mr. Vineet Agarwal, Joint Managing Director, Mr. Chander Agarwal, Executive Director & Mr. A K Bansal, Group CFO & Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary in the regard and to execute and sign all such documents and papers as may be necessary to give effect to this resolution."

By order of the Board
For **Transport Corporation of India Ltd**
A. K. Bansal
Group CFO & Company Secretary

Place : Gurgaon
Date : 30th May, 2012

NOTES:

- I. Proxy: A MEMBER ENTITLED TO ATTEND AND VOTE IS AUTHORIZED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE 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.
- II. Explanatory Statement: The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business at Items 7, 8, 9 and 10 as set out above, to be transacted at the Meeting, is annexed hereto.
- III. Authorized Representatives: Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing them in this behalf.
- IV. Re-appointment of Directors: As per the provisions of Section 256 of the Companies Act, 1956, Mr. S M Datta & Mr. S N Agarwal, Directors of the Company,

retire by rotation at the Meeting and being eligible, offer themselves for re-appointment. The Board of Directors recommends their re-appointment. Brief bio data of the directors proposed to be re-appointed, their experience, nature of their expertise, their directorships & Chairmanships in other companies etc have been provided and are forming part this Report.

- V. Retirement of Director- Mr. R.V. Raghavan, Director of the Company, retires by rotation at the Meeting. The Board of Directors place their sincere appreciation for the services rendered by him to the Company during his tenure with the Company.
- VI. Closure of Books: The Share Transfer Books and the Register of Members shall remain closed from 21st July, 2012 to 26th July, 2012 (both days inclusive) for determining the shareholders entitlement for final dividend for the year ended 31st March 2012. The dividend shall be paid on or after 27th July 2012. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- VII. Change of the name of the Company: The name of the Company had been changed from TCI Industries Ltd. to Transport Corporation of India Ltd. vide fresh Certificate of Incorporation dated 29/01/99, issued by the Registrar of Companies, Andhra Pradesh, Hyderabad.
- VIII. NRI Shareholders: The Non-Resident Indian shareholders are requested to inform the company immediately about:
 - i. The change in the residential status on return to India for permanent settlement.
 - ii. The particulars of NRO bank Account in India, if not furnished earlier.
- IX. Details of Shareholders: 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.
- X. ECS facility to Shareholders: ECS facility is presently accessible 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 quicker credit of dividend.
- XI. Shareholders Correspondence: The members are requested to address all their communications to M/s Abhipra Capital Ltd., Ground Floor, Abhipra Complex, Dilkush 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.
- XII. Exchange of old Share Certificates: 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 numerous times requested by the said Company and consequent reminders from our Company as well, to obtain their new share certificates of four Companies including this Company.
- XIII. Listing with Stock Exchanges: The shares of the Company are at present listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees in respect of the year 2012-13 have since been paid to both NSE and BSE.
- XIV. Unclaimed Dividend: The unclaimed dividend for the year ended 31st March 2005 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 Seven years on 2nd October, 2012, 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).
- XV. 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.
- XVI. Under Employee Stock Option Scheme-IV (ESOS-IV), the exercise period is 2 months from the date of vesting.
- XVII. The Company is using intrinsic value method for valuation of the options granted under Employee Stock Option Scheme - 2006.

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

ITEM NO. 7

M/s. K. B. Chitracar & Co., Chartered Accountants, Kathmandu, are the Branch Auditors of the Company for auditing the accounts of all the branches of the Company situated in Royal Kingdom of Nepal. Their present term as Branch Auditor shall expire on the conclusion of this Annual General Meeting. Therefore, it is proposed to re-appoint them for the financial year 2012-13. They have also expressed their willingness to be re-appointed as Branch Auditors for the financial year 2012-13.

Your Directors recommend the appointment of M/s. K.B. Chitracar & Co., Chartered Accountants, as Branch Auditors for the financial year 2012-13 and request the shareholders to pass the resolution as Ordinary Resolution.

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

ITEM NO. 8

M/s. R. S. Agarwala & Co., Chartered Accountants, Bangalore are the Branch Auditors for TCI Seaways Division of the Company for conducting the audit of the division. Pursuant to the provisions of Companies Act, 1956, their present term shall expire on the conclusion of this Annual General Meeting and therefore, the Board recommends their re-appointment for the Financial Year 2012-13. M/s R. S. Agarwala & Co. has also expressed their willingness for such re-appointment.

The shareholders are requested to pass the resolution as Ordinary Resolution.

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

ITEM NO. 9

Mr. Ashish Bharat Ram was appointed as an Additional Director on the Board of the Company on 28th July, 2011 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting.

Pursuant to requirements of Section 257 of the Companies Act, 1956, a notice has been received from a member signifying his intention to propose appointment of Mr. Ashish Bharat Ram as the Director of the Company.

Thus, the Board of Directors propose to appoint Mr. Ashish Bharat Ram as Director of the Company.

Except Mr. Ashish Bharat Ram, no other director of the Company is concerned or interested in the proposed resolution.

ITEM NO. 10

Pursuant to the provisions of Section 293 (1) (e) of the Companies Act, 1956, a Company can contribute/donate upto Rs. 50,000 or 5% of the Company's average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three years immediately preceding the current Financial Year, whichever is greater.

As part of its CSR activities, by itself and through its social arm "TCI Foundation", the Company always believed in sharing & contributing to the society at large. Further, the Company has significantly grown over the years in terms of its Topline as well as Bottomline. Therefore, the above limit needs to be amended.

In view of the above, the members may consider enhancing the permissible limits u/s 293(1)(e) giving powers to the Board, as aforementioned, upto Rs. 5,00,00,000/- (Rupees Five Crore only) in any financial year.

The Board of directors recommends this resolution for approval of the members.

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

By order of the Board
For **Transport Corporation of India Ltd**
A. K. Bansal
Group CFO & Company Secretary

Place : Gurgaon

Date : 30th May, 2012

Details of Directors retiring by rotation seeking re-election and appointment of Directors at this Annual General Meeting:

| Particular | Mr. S M Datta | Mr. S N Agarwal |
|---|---|--|
| Appointed on | 31/10/2001 | 02/01/1995 |
| Qualifications | Chartered Engineer | Graduate in management from Davenport College of Business, US |
| Expertise in specific functional area | Has more than 52 years of experience in the engineering and technology sector | Over 41 years of rich experience in various industries including logistics |
| Chairmanship/ Directorship of Companies held | Public Limited Companies | Public Limited Companies |
| | Transport Corporation of India Ltd. | Bhoruka Gases Limited |
| | Castrol India Ltd. | TCI Industries Ltd. |
| | Philips Electronics India Ltd. | Bhoruka Power Corporation Ltd. |
| | IL & FS Investment Managers Ltd. | Transport Corporation of India Ltd. |
| | Tata Trustee Co. Ltd. | Kirloskar Electric Company Ltd. |
| | Peerless Gen. Fin. & Inv. Co. Ltd. | Private Limited Companies |
| | Peerless Hotels Ltd. | Iruppu Power Pvt. Ltd. |
| | Zodiac Clothing Company Ltd. | Bhoruka Steel Investments India Pvt. Ltd. |
| | Kansai Nerolac Paints Ltd. | Bhoruka Realty Investments India Pvt. Ltd. |
| | Atul Ltd. | Bhoruka Gases Investments India Pvt. Ltd. |
| | Bhoruka Power Corporation India Ltd. | Bhoruka Power Investments India Pvt. Ltd. |
| | Rabo India Finance Limited | Bhoruka Steel Holdings Pvt. Ltd. |
| | Speciality Restaurants Limited | Bhoruka Park Holdings Pvt. Ltd. |
| | Door Sabha Nigam Ltd. | Bhoruka Infratech Investments India Pvt. Ltd. |
| | Peerless Developers Limited | Bhoruka Park Investments India Pvt. Ltd. |
| | Private Ltd. Companies | Bhoruka Cogen Power Pvt. Ltd." |
| | Reach (Cargo Movers) Pvt. Ltd. | |
| | Chandras Chemical Enterprises (Pvt.) Ltd. | |
| Memberships / Chairmanships of committees across public companies | Audit Committee | Audit Committee |
| | • Transport Corporation of India Ltd. | • Transport Corporation of India Ltd. |
| | • Castrol India Ltd. | • Castrol India Ltd. |
| | • Peerless Gen. Fin. & Inv. Co. Ltd. | • Peerless Gen. Fin. & Inv. Co. Ltd. |
| | • Rabo India Finance Limited | • Rabo India Finance Limited |
| | • Tata Trustee Company Ltd. | • Tata Trustee Company Ltd. |
| | • Bhoruka Power Corporation India Ltd. | • Bhoruka Power Corporation India Ltd. |
| | Shareholders'/Investors' Grievance Committee | Shareholders'/Investors' Grievance Committee |
| | • Castrol India Ltd. | • Castrol India Ltd. |
| | • IL & FS Investment Managers Ltd. | • IL & FS Investment Managers Ltd. |
| Shareholding in the Co. (no. of shares) | NIL | 930* |



Transport Corporation of India Limited

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 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 17th Annual General Meeting of the Company to be held on Thursday ,the 26th July, 2012 at 11.00 A.M. 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.....2012

Affix
Rupee 1/-
Revenue
Stamp

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.



Transport Corporation of India Limited

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* | |
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| Master Folio No | |
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| Client ID* | |
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| No. of Shares held | |
|--------------------|--|

I hereby record my presence at the 17th 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 Thursday, the 26th July, 2012 at 11.00 A.M.

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

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

* Applicable for shareholders holding shares in electronic form.

NOTE:

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

C O R P O R A T E I N F O R M A T I O N

1. Board of Directors

| Sl. No. | Name of the Director | Designation |
|---------|-------------------------|-----------------------------------|
| 1 | Mr. S. M. Datta | Chairman |
| 2 | Mr. D. P. Agarwal | Vice Chairman & Managing Director |
| 3 | Mr. S. N. Agarwal | Director |
| 4 | Mr. K. S. Mehta | Director |
| 5 | Mr. O. Swaminatha Reddy | Director |
| 6 | Mr. R. V. Raghavan | Director |
| 7 | Mr. Ashish Bharat Ram | Director |
| 8 | Mr. M.P. Sarawagi | Director |
| 9 | Mr. Vineet Agarwal | Joint Managing Director |
| 10 | Mr. Chander Agarwal | Executive Director |

2. Group CFO & Company Secretary

Mr. A.K. Bansal

3. Statutory Auditors

R. S. Agarwala & Co.

(Chartered Accountants)

4. Bankers

State Bank of India Limited

HDFC Bank Limited

HSBC (Hongkong & Shanghai Banking Corporation Limited)

Citi Bank N.A.

Standard Chartered Bank

5. Registrar & Share Transfer Agent

M/s Abhipra Capital Limited

Ground Floor, Abhipra Complex, Dilkhush Industrial Area,
A-387, G T Karnal Road, Azadpur, Delhi-110033

Phone: +91-11-30900300, 23414629

Fax: +91-11-23414503

6. Corporate Office Address

TCI House, 69 Institutional Area

Sector-32, Gurgaon-122 207

Tel. +91-124-2381603-07 Fax +91-124-2381611

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

Website: www.tcil.com

7. Registered Office Address

Flat Nos. 306 & 307, 1-8-201 to 203, 3rd Floor,

Ashoka Bhoopal Chambers, S. P. Road,

Secunderabad-500003

Phone: +91-40-27840104

Fax: +91-40-27840163

E Mail: ak.bansal@tcil.com, secretarial@tcil.com

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