

REPORT OF THE DIRECTORS

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

WORKING RESULTS

(Rs. in Million)

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

CONSOLIDATED FINANCIAL STATEMENTS

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

OPERATIONAL REVIEW

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

DIVIDEND

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

CHANGE IN CAPITAL STRUCTURE

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

INFORMATION REGARDING SUBSIDIARIES

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

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

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

FIXED DEPOSITS

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

There have been no overdue deposits.

DIRECTORS

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

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

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

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

AUDITORS

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

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

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

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

AUDITORS' REPORT

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

HUMAN RESOURCES

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

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

STATUTORY DISCLOSURES

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

CORPORATE GOVERNANCE

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

CORPORATE SOCIAL RESPONSIBILITY

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

Education:

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

Disaster Management:

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

Environment:

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

Healthcare:

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

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

DIRECTORS' RESPONSIBILITY

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

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

CAUTIONARY STATEMENT

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

STATEMENT OF EMPLOYEES

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

ACKNOWLEDGEMENT

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

For & on behalf of the Board

Place : Gurgaon (Haryana)
Dated: 23.05.2008

S N Agarwal
Chairman

CEO/CFO Certification

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

This is to certify that:

- We have reviewed financial statement for the F.Y. ended 31st March 2008 and the cash flow statement for the year (consolidated and unconsolidated) and that to the best of our knowledge and belief: -
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair copy of the Company's affairs and are in compliance with existing standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the auditors and Audit committee:
 - About significant changes in internal control during the year, whenever applicable;
 - That there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - That there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having such significant role in the Company's internal control system.
- We further declare that all members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For Transport Corporation of India Ltd.

D.P. Agarwal
Vice Chairman & Managing Director

Place : Gurgaon (Haryana)
Dated: 23.05.2008

For Transport Corporation of India Ltd.

A.K. BansalGroup
Group CFO & Co. Secretary

ANNEXURE TO THE DIRECTORS' REPORT

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

Conservation of Energy and Research & Development:

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

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

Foreign exchange earnings and outgo:

	(Rs. in Million)	
	2007-08	2006-07
Foreign Exchange Outgo	202.68	397.21
Foreign Exchange Earnings	87.00	37.54

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

Sl. No.	Name & Qualification	Age	Designation/ Nature of Duties	Remuneration in Rs.	Exp. in Yrs.	Date of Commencement	Previous employment/ position held
1	Employed for full year D.P. Agarwal * B.Com.	59	Vice-Chairman & Managing Director, Overall Management	2,10,07,372	43	10.04.65	Executive, Transport Corporation of India Pvt. Ltd.
2	Vineet Agarwal* B.Sc. (Econ.)	34	Executive Director, General Management	1,29,57,296	12	01.04.96	Executive, Transport Corporation of India Ltd.
3	Chander* Agarwal B.Sc. in Business Administration	29	Executive Director, General Management	40,78,886	6	01.11.2002	Executive, Transport Corporation of India Ltd.

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

NOTES:

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

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

REPORT ON CORPORATE GOVERNANCE

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

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

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

BOARD OF DIRECTORS

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

COMPOSITION OF THE BOARD OF DIRECTORS

Sl. No.	Name of Director	Category & Designation	Number of Directorship in Companies (including TCI)		Number of Membership of Committees (including TCI)*	
			Public	Private	Member	Chairman
1	Mr. S. N. Agarwal	Non Executive Chairman	6	2	3	Nil
2	Mr. S. M. Datta	Non Executive Independent Director	15	4	4	2
3	Mr. O. Swaminatha Reddy	Independent Non Executive Director	11	4	2	5
4	Mr. K. S. Mehta	Independent Non Executive Director	13	2	5	2
5	Mr. R. V. Raghavan	Independent Non Executive Director	3	Nil	1	Nil
6	Mr. D. P. Agarwal	VCMD, Executive Promoter Director	4	Nil	1	Nil
7	Mr. M. P. Sarawagi	Non Executive Director	5	6	Nil	Nil
8	Mr. Vineet Agarwal	Executive Promoter Director	3	2	3	Nil
9	Mr. Chander Agarwal	Executive Promoter Director	3	5	Nil	Nil

*Memberships of only Audit and Shareholders' Grievance Committees of Public Limited companies are considered as relevant for the purpose of computing limit under Clause 49(IV)(C) of the Listing Agreement.

All the directors have confirmed to the Board that they are not member of more than 10 (ten) committees and do not act as Chairman of more than 5 (five) committees across all the companies in which they are directors.

BOARD MEETINGS

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

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

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

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

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

CODE OF CONDUCT

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

BOARD'S FUNCTIONING AND PROCEDURE

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

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

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

APPOINTMENT / REAPPOINTMENT OF DIRECTORS

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

- A. Mr. S. N. Agarwal** has over 37 years of rich and varied experience in the various industries. Mr. S. N. Agarwal is the member of the Governing Body of IIM, Bangalore. Mr. Agarwal did his Graduation in Management from Davenport College of Business, US and Advanced Management Program (AMP) certification from Harvard Business School, USA. Mr. Agarwal has interest in power and gas industries. He is occupying position of Chairman/director in prominent companies.

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

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

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

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

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

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

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

C. Mr. R. V. Raghavan is a professional manager, with several years of varied and senior level experience in Management, in India and abroad. A Chartered Accountant by background, his career, inter alia, in Philips, Glaxo and Voltas, of which he was a main Board Director and Chairman of its publicly traded associates, Wandleside National Conductors, spans over thirty years of exposure to both finance function and general management of operations. The Directors believe Mr. Raghavan's background will be of value to the Company and recommend his appointment.

Companies in which Mr. Raghavan holds Directorship and Committee membership

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMITTEES OF THE BOARD

I. AUDIT COMMITTEE

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

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

The terms of reference interalia include :

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

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

Composition and Attendance :

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

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

The Company Secretary acts as the Secretary to the Committee.

II. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

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

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

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

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

III. SHARE TRANSFER COMMITTEE

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

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

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

IV. FINANCE COMMITTEE

The Finance Committee interalia deals with following urgent matters :

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

COMPOSITION :

The composition of Finance Committee is as follows:

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

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

V. RESTRUCTURING COMMITTEE

Constitution of Re-structuring Committee:

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

The scope of the Restructuring Committee includes :

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

COMPOSITION

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

VI. COMPENSATION/ REMUNERATION COMMITTEE

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

COMPOSITION

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

MANAGERIAL REMUNERATION

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

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

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

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

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

EQUITY SHARES HELD BY NON EXECUTIVE DIRECTORS

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

DISCLOSURES :

A. Related Party Transactions

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

B. Compliance by the Company

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

MEANS OF COMMUNICATION TO SHAREHOLDERS:

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

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

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

Date	29th July, 2008
Venue	Surana Udyog Hall, Federation of Andhra Pradesh Chambers of Commerce & Industries 11-6-841, Red Hills, Hyderabad-500 004
Time	12:00 Noon
Book Closure Dates	28th & 29th July, 2008
Dividend Payment Date	On or after 30th July, 2008
Financial Calendar	April to March
Listing of Equity Shares at	The National Stock Exchange (NSE), Hyderabad (HSE), and Mumbai (BSE).
Stock Code	NSE-TCI, BSE-532349 & HSE-TCI INDS 6247
ISIN No.	INE688A01022

II. POSTAL BALLOT

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

III. GENERAL BODY MEETINGS:

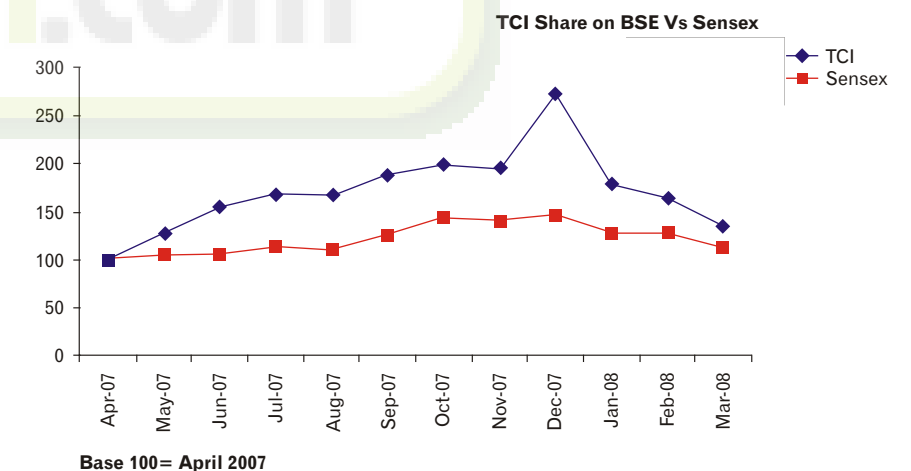
The details of Annual General Meetings held during the last 3 years and the Extra Ordinary General Meeting held during the last one year are given in following table:

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

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

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

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


V. UNCLAIMED DIVIDENDS:

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

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

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

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

VI. SHAREHOLDING PATTERN AS ON 31ST MARCH 2008 :

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

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

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2008:

Range (Number of Shares)	Shareholders		Shares	
	Nos.	%Age	Nos.	%Age
1-50	2209	11.64	74045	0.10
51-100	2110	11.13	193842	0.27
101-500	12076	63.64	2990793	4.12
501-1000	1414	7.45	1059724	1.46
1001-5000	940	4.95	1863168	2.57
5001-10000	110	0.58	818558	1.13
10001 & above	115	0.61	6550510	90.35
Total	18974	100.00	72505640	100.00

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

STATUS OF SHARE RELATED COMPLAINTS :

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

There was no pending complaint needing intervention as on date.

INVESTOR SERVICES:

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

M/s Abhipra Capital Ltd.

Ground Floor, Abhipra Complex,

Dilkush Industrial Area, A-387,

G.T.Karnal Road, Azadpur, Delhi- 110033

Tel: 95-11- 4239-0708, 4239-0725, 4239-0909

Fax: 95-11- 2721-5530

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