



TRF LIMITED
A **TATA** Enterprise

39th Annual Report
2001- 02

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Board of Directors
(As on June 01, 2002)

DR. JAMSHED J. IRANI - *Chairman*
S. K. MUKHERJEE
S. J. GHANDY
R. SANKARAN
S. N. MALHOTRA
S. K. BHARGAVA
B. D. BODHANWALA
R. P. SINGH
K. P. SINGH
SANTOSH K. GUPTA - *Managing Director*
CYRIL DE SOUSA - *Whole-time Director*

Management
(As on June 01, 2002)

Santosh K. Gupta
Managing Director

Cyril De Sousa
Sr. Executive Director
(Bulk Material Handling Equipment Division)

Gautam Maitra
Executive Vice President
(Bulk Material Handling Systems Division)

V. K. Thakar
Executive Vice President (Corporate Affairs)

A. K. Sinha
Vice President (Port & Yard Equipment Division)

B. K. Mitra
General Manager (Projects)

S. K. Kanungoe
General Manager (EPC & EPCM Division)

Company Secretary
S. N. Mukherjee

Auditors
A. F. FERGUSON & CO.

Registered Office

11, Station Road,
Burma Mines,
Jamshedpur - 831 007

Registrars & Share Transfer Agents

Tata Share Registry Ltd.
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai - 400 001

Bankers

BANK OF INDIA
CANARA BANK
CENTRAL BANK OF INDIA
HONGKONG & SHANGHAI BANK
IDBI BANK LTD.
STATE BANK OF INDIA
VYSYA BANK LTD.

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TRF LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE THIRTY-NINTH ANNUAL GENERAL MEETING OF TRF LIMITED will be held in the Auditorium of the Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur - 831 001 on Saturday, July 27, 2002 at 12.00 noon to transact the following business:

1. To consider and adopt the audited Profit and Loss Account of the Company for the year ended March 31, 2002, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To confirm payment of interim dividend declared by the Board of Directors.
3. To appoint a Director in place of Mr. R. Sankaran, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Dr. Jamshed J. Irani, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. S. N. Malhotra, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To appoint Mr. K. P. Singh, who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 22, 2002 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company.

8. To consider and if thought fit, to pass with or without modification the following as a Special resolution:

"RESOLVED, that in partial modification of the resolutions passed at the 36th and the 38th Annual General Meetings of the Company in respect of the remuneration payable to Mr. Santosh K. Gupta, Managing Director, the Company hereby approves pursuant to Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 ("the Act") payment of remuneration to Mr. Santosh K. Gupta as per Schedule XIII of the Act, as amended by Notification dated January 16, 2002 of the Ministry of Law, Justice and Company Affairs in respect of Part II in Section II of para 1(B) in the event the Company has no profits or its profits are inadequate for payment to the Managing Director, with liberty to the Board of Directors/ Committee of Directors to alter and vary the terms and conditions of appointment and/or agreement in the event of any increase in remuneration, if permitted under any statutory amendments or re-enactment of Schedule XIII of the Act and acceptable to Mr. Santosh K. Gupta, as set out in the draft supplementary agreement submitted

to this meeting and signed by a Director for identification".

NOTES:

- a) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the businesses under item nos. 7 and 8 is annexed.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) The Register of Members and share transfer books of the Company shall remain closed from June 27 to July 11, 2002 (both days inclusive).
- d) As per the provisions of the Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office or the Registrars & Share Transfer Agents of the Company.
- e) Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any claim by the Fund.
Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 1996 onwards, are requested to make their claims to the Registrars & Share Transfer Agents of the Company without any delay.
- f) Members desiring any additional information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- g) Members are requested to bring the admission slips alongwith their copies of the Annual Report to the meeting.

By Order of the Board of Directors

Registered Office :
11, Station Road,
Burma Mines,
Jamshedpur - 831 007.

S. N. Mukherjee
Company Secretary

May 17, 2002

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

As required under Section 173(2) of the Companies Act, 1956 (hereinafter referred to as 'the Act') the following explanatory statement sets out all material facts relating to the businesses mentioned under items nos. 7 and 8 of the accompanying Notice dated May 17, 2002, convening the meeting:

ITEM NO. 7

The Board of Directors appointed Mr. K. P. Singh as an Additional Director of the Company with effect from March 22, 2002. In accordance with the provisions of Article 104 of the Articles of Association of the Company read with Section 260 of the Act, Mr. Singh holds office only up to the date of the Annual General Meeting. A notice in writing under Section 257 of the Act along with a deposit of Rs. 500/- has been received from a member signifying his intention to propose the appointment of Mr. Singh as a Director of the Company at the meeting.

Mr. Singh is the Managing Director of Tata Projects Ltd. and ex-Managing Director of Rail India Technical and Economic Services Ltd. (RITES). Considering the vast experience and expertise of Mr. Singh in project execution business, the Board of Directors considers that the appointment of Mr. Singh as a Director will be of immense benefit to the Company and commends his appointment.

Save and except Mr. Singh, no other Director of the Company is concerned or interested in the resolution.

ITEM NO. 8

Mr. Santosh K. Gupta was appointed Managing Director of the Company for a period of five years with effect from April 01, 1999. The principal terms and conditions of the Agreement of Mr. Gupta were approved by the shareholders at the Thirty-sixth Annual General Meeting of the Company and further modified and approved at the Thirty-eighth Annual General Meeting.

The Department of Company Affairs, Ministry of Law, Justice & Company Affairs, vide Notification dated January 16, 2002, has amended Schedule XIII of the Act with respect to the monthly remuneration payable to a managerial person in the event the company has no profits or inadequate profits in a financial year and provides for

payment of remuneration depending upon the effective capital of the company as per Part II in Section II of para 1(B), subject to the same being approved by a special resolution passed at a general meeting of the company. The Remuneration Committee of the Board of Directors has approved payment of remuneration to Mr. Gupta as per Schedule XIII of the Act as amended by the aforesaid Notification in the event the Company has no profits or its profits are inadequate in a financial year. The same has also been approved by the Board of Directors.

As required under the aforesaid Notification, general information about the Company and information about Mr. Gupta are appended hereto. As per the Notification, this can be approved by the shareholders for a period not exceeding three years by passing a special resolution at a general meeting. Approval of the shareholders is, therefore, being sought for adoption of Schedule XIII with effect from January 16, 2002 till completion of his present contract as the Managing Director ending on March 31, 2004 i.e. for a period of 2 years & 2.1/2 months.

The special resolution set out under item no. 8 of the Notice is commended for acceptance by the shareholders.

Save and except Mr. Gupta, no other Director of the Company is concerned or interested in the resolution.

By Order of the Board of Directors

Registered Office :

11, Station Road,
Burma Mines,
Jamshedpur - 831 007

S. N. Mukherjee
Company Secretary

May 17, 2002

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Information relevant to the appointment of Mr. Santosh K. Gupta as the Managing Director as per Notification No. G.S.R.36-E dated January 16, 2002 issued by the Department of Company Affairs :

I. GENERAL INFORMATION**(1) Nature of Industry : Engineering**

The Company is the most comprehensive source for Port, Yard and Bulk Material Handling Equipment and Systems. The Company is therefore engaged in design, engineering, project / construction management, procurement, supply, fabrication, erection, testing and commissioning including civil, structural, electrical and instrumentation for bulk material handling projects. In addition, the Company carries out Engineering, Procurement, Construction (EPC) work and provides Engineering, Procurement, Construction Management services (EPCM services) for setting up small and medium Plants.

(2) Expected date of commencement of commercial production :

Not applicable.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(4) Financial performance during last three years :

(Rs. in Lakhs)

Financial Parameters	2001-2002	2000-2001	1999-2000
Turnover (Sales)	12332.58	12699.39	12857.95
Net Profit as per Profit and Loss Account as computed under Section 198 of the Companies Act, 1956	567.46	563.14	429.98
Net Profit after Tax as per Profit and Loss Account	933.48	314.65	493.77
Amount of dividend paid	143.06	143.06	121.04
Rate of dividend declared (%)	26	26	22

(5) Export performance and net foreign exchange earnings :

(Rs. in Lakhs)

	2001-2002	2000-2001	1999-2000
Foreign exchange earnings including Deemed Exports equivalent Rs.	81.13	733.99	922.86
Foreign exchange outgoings equivalent Rs.	547.54	802.26	541.88

(6) Foreign investments or collaborations, if any :

Marconi plc., UK hold 3.34% and Litton Systems Inc., U.S.A. hold 1.98% of the equity capital of the Company.

II. INFORMATION ABOUT THE APPOINTEE

1.1 Educational qualifications :

Technical	a) Bachelor of Engineering (Mechanical); b) Post Graduate Diploma in Iron & Steel technology from SNTI (formerly JTI) Jamshedpur; c) Member of the Indian Institute of Engineers and Indian Institute of Metals.
Management	Attended general management programme spread over a period of 18 months at Cedep, Fountaine Bleu, France; Attended a short-term course on "Competition and Strategy" at Harvard Business School, USA.

1.2 Experience :

Company	Designation	Nature of job
TRF Ltd. From 01.04.1999 till date	Managing Director	Chief Executive Officer and overall in-charge.
Tata Technodyne Ltd. From 01.01.1997 to 31.03.1999	Managing Director	Chief Executive Officer and overall in-charge.
Stewarts & Lloyds of India Ltd. From 01.09.1993 to 30.09.1997	Managing Director	Chief Executive Officer and overall in-charge.
Stewarts & Lloyds of India Ltd. From 01.01.1991 to 31.08.1993	President (on deputation from Tata Steel)	Overall responsibility for operations of the Company.
The Tata Iron & Steel Co. Ltd. From 30.12.1967 to 31.08.1993 (On deputation to Stewarts & Lloyds of India Ltd. as President from 01.01.1991 to 31.08.1993)		1) Joined as graduate trainee and held various positions of responsibility, the last being Assistant General Manager and Head of Bearings Division, Kharagpur of Tata Steel. 2) Worked in (a) Engineering Shops of the steel company in various capacities; (b) Project Division of Tata Steel as Assistant Engineer and as Divisional Manager, Bearings Division (No. 2 position) prior to becoming the Head of Bearings Division.

2. Past remuneration (including contribution to PF, superannuation fund and gratuity fund) :

2001-2002	2000-2001	1999-2000
29,47,501	Rs. 25,18,852/-	Rs. 18,63,239/-

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3. Recognition and awards :

- (a) Adjunct Professor of Mechanical Engineering at IIT, Kharagpur during 1989-90 and 1990-91.
- (b) Elected Member, Eastern Regional Council of CII for the year 1996-97 and again for the years 2001-02 & 2002-03.
- (c) Appointed Chairman of Technology Sub-Committee, Eastern Regional Council of CII for the year 2002-03.
- (d) External Examiner (May 2002) for assessing dissertation work of MBA students of Vinod Gupta School of Management, IIT, Kharagpur.

4. Job profile and his suitability :**(a) Job Profile**

Chief Executive Officer and overall in-charge of TRF Ltd. TRF is engaged in -

- (i) Design, engineering, procurement, supply, civil and structural works, electrical and instrumentation systems, fabrication, erection and testing of bulk material handling equipment and systems;
- (ii) Design, supply, installation and commissioning of Port & Yard equipment and services;
- (iii) Project/Construction Management on EPC basis for setting up small and medium-size plants;
- (iv) Providing EPCM services for project implementation.

His responsibilities include -

- (i) Profitable operations of the Company through efficient and optimum use of Company's resources, viz., man, material and money.
- (ii) Entering into strategic tie-ups and alliances for advancement of the business of the Company.
- (iii) Development of new businesses.
- (iv) Employee satisfaction.
- (v) Customer satisfaction.
- (vi) Enhancing shareholder value.

(b) Suitability

Mr. Gupta has served the Tata Group for about 35 years with distinction.

Mr. Gupta has to his credit turn-around of the Bearings Division of Tata Steel, a loss-making unit acquired by Tata Steel from Metal Box India Ltd.

Mr. Gupta also has to his credit turn-around of Stewarts & Lloyds of India Ltd., a potentially sick company.

Tata Technodyne Ltd. in its very first year of operations posted profit under the stewardship of Mr. Gupta as its first Managing Director.

As Chairman of Tata Material Handling Systems Ltd. prior to amalgamation of this company with TRF, Mr. Gupta was instrumental in turn-around of this loss-making company into a profit making company.

Till date, Mr. Gupta has nine years of experience as Managing Director of companies, over two-and-half years as President of a company and 2 years as Head of Bearings Division of Tata Steel, a separate profit centre.

Mr. Gupta's vast experience in operations of different companies, successful record of turning around loss-making/sick companies and in view of the high esteem in which he is held in the corporate sector for his technical and commercial knowledge and business acumen, the Board considers Mr. Gupta as the most suitable professional for shouldering the responsibilities of Managing Director of the Company.

5. Remuneration proposed :

As approved in the 36th & 38th Annual General Meetings of the Company and as per amendment to the terms of appointment proposed for adoption in this meeting, as per the provisions in Para 1(B) of Part II of Section II of the amended Schedule XIII of the Companies Act, 1956.

III. OTHER INFORMATION :

(1) Inadequate profits :

Although the Company has been making profits, the margins are under pressure. Due to slow down in the investments in domestic as well as world markets coupled with excess capacity, the competition has become intense resulting in significant reduction in net realisations and contributions.

Mr. Gupta as Managing Director of the Company has worked out strategies to meet the challenging situation, improving the order book and resultant turnover. With tight control on costs and overhead expenses, the Company expects improvement in profitability.

(2) Steps taken or proposed to be taken for improvement :

- a) strategic tie-ups/associations with public sector undertakings;
- b) thrust on exports;
- c) improvement in productivity and optimum utilisation of resources of the Company.
- d) aggressive implementation of cost reduction and cost control measures.

(3) Expected increase in productivity and profits in measurable terms :

The Company expects substantially higher turnover in future years with associated higher profits. The turnover is expected to achieve an average growth of around 20% in next 3 years with increased profits.

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**Details of Directors seeking appointment/re-appointment in the
forthcoming Annual General Meeting**

(Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges)

Name of Director	Mr. R. Sankaran	Dr. Jamshed J. Irani
Date of birth	14.09.1932	02.06.1936
Date of appointment	06.11.1995	09.06.2000
Expertise in specific functional areas	Finance	Metallurgy
Qualifications	B.Com., FCA	Ph.D.(Sheffield), M. Met. (Sheffield), M. Sc.
List of companies in which outside Directorship held as on March 31, 2002	Stewarts & Lloyds of India Ltd. Tata Refractories Ltd. FAL Industries Ltd. Nilachal Refractories Ltd. Kalinga Aquatics Ltd.	Tata Ryerson Ltd. Tata Refractories Ltd. Tata Teleservices Ltd. Tata Sons Ltd. The Tata Iron and Steel Co. Ltd. Tata Industries Ltd. Tata Engineering and Locomotive Co. Ltd. Tata International Ltd. Tata Incorporated, New York BOC India Ltd. Timken India Ltd. Motor Industries Co. Ltd.
Chairman/Member of the committees of the Boards of companies on which he is a Director as on March 31, 2002	Stewarts & Lloyds of India Ltd. Audit Committee - Chairman Shareholder/Investors Grievance Committee - Chairman Remuneration Committee - Member Tata Refractories Ltd. Audit Committee - Chairman Remuneration Committee - Member Finance Committee - Member FAL Industries Ltd. Audit Committee - Member Nilachal Refractories Ltd. Audit Committee - Chairman	Tata Sons Ltd. Remuneration Committee - Member Tata Refractories Ltd. Audit Committee - Member Remuneration Committee - Member Shareholders Grievance Committee - Chairman BOC India Ltd. Audit Committee - Member Motor Industries Co. Ltd. Remuneration Committee - Member Tata Teleservices Ltd. Remuneration Committee - Member

Name of Director	Mr. S. N. Malhotra	Mr. K. P. Singh
Date of birth	10.10.1944	24.01.1942
Date of appointment	09.06.2000	22.03.2002
Expertise in specific functional areas	Manufacturing & Project management	Project execution & business development
Qualifications	B. Tech (Hons.), DRC (Strathclyde, U.K.)	B.E. (Civil)
List of companies in which outside Directorship held as on March 31, 2002	ACC Nihon Castings Ltd.	Tata Projects Ltd.
Chairman/Member of the committees of the Boards of companies on which he is a Director as on March 31, 2002	ACC Nihon Castings Ltd., Audit Committee - Member	None