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**Board of Directors**

|                           |                                   |
|---------------------------|-----------------------------------|
| <b>S.N. Agarwal</b>       | Chairman                          |
| <b>S.M. Datta</b>         |                                   |
| <b>O.Swaminatha Reddy</b> |                                   |
| <b>K.S. Mehta</b>         |                                   |
| <b>Ravi Uppal</b>         |                                   |
| <b>D.P. Agarwal</b>       | Vice Chairman & Managing Director |
| <b>M.P. Sarawagi</b>      | Wholtime Director                 |
| <b>Vineet Agarwal</b>     | Executive Director                |

**Vice President-Finance & Secretary:**

A.K. Bansal

**Auditors:**

R.S. Agarwala & Company  
Chartered Accountants

**CONTENTS**

**Bankers:**

State Bank of India  
Citibank  
Bank of India  
Canara Bank  
State Bank of Mysore

**Registered Office:**

Flat Nos. 306 & 307, 1-8-271 to 273,  
3rd Floor, Ashoka Bhoopal Chambers,  
S.P. Road, Secunderabad-500 003.

**Corporate Office:**

TCI House, 69, Institutional Area  
Sector-32, Gurgaon-122 001. Haryana  
Phone: (0124) (from Delhi 91) 6381603 to 607  
Fax: (0124) (from Delhi 91) 6381611  
E-mail:corporate@tcil.com  
Internet:www.tcil.com

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## Notice for Annual General Meeting

Notice is hereby given that the 7<sup>th</sup> Annual General Meeting of the Company will be held on Saturday, the 7<sup>th</sup> September, 2002 at 11.00 a.m. at Lions Bhavan, First Floor, behind Ushakiran Complex, S.D. Road, Secunderabad-500 003 to transact the following business:

### Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss A/c for the year ended 31<sup>st</sup> March 2002 and the Balance Sheet as at that date together with the Reports of Directors & Auditors.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. K.S. Mehta, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M.P. Sarawagi, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint auditors in place of retiring auditors and to fix their remuneration.

### Special Business :

6. To consider and, if thought fit, to pass, with or without modification, 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 2002-03 and to hold office till the conclusion of the Next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution :

**"RESOLVED THAT** Mr. S.M. Datta, a Director of the Company who holds office up to the date of this meeting u/s 260 of the Companies Act, 1956 and in respect of whom, a notice has been received by the Company from a member signifying his intention to propose his name as a candidate for the office of Director, be and is hereby appointed as Director of the Company."

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

**"RESOLVED THAT** Mr. Ravi Uppal, a Director of the Company who holds office up to the date of this meeting u/s 260 of the Companies Act, 1956 and in respect of whom, a notice has been received by the Company from a member signifying his intention to propose his name as a candidate for the office of Director, be and is hereby appointed as Director of the Company."

**BY ORDER OF THE BOARD**  
For Transport Corporation of India Ltd.

Place : Gurgaon  
Date : 20<sup>th</sup> June, 2002

**A.K. Bansal**  
Vice President-Finance & Secretary

**Notes:**

1. a) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No.6 to 8 set out above is annexed hereto.  
b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED 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.
2. The Share Transfer Books and the Register of Members will remain closed from 2nd Sep. 2002 to 7th Sep. 2002 (both days inclusive). Dividend on equity shares for the year ended 31<sup>st</sup> March, 2002, will be paid on 12th Sep. 2002 to those Members whose names appear on the Company's Register of members at the close of working hours of the Company, on 7th Sep. 2002 to the extent eligible. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
3. The name of the Company has been changed from TCI Industries Ltd. to Transport Corporation of India Ltd. vide fresh Certificate of Incorporation dated 29/01/99, issued by the Registrar of Companies, Andhra Pradesh, Hyderabad.
4. The equity shares of the Company are under **Compulsory Demat** w.e.f. 27<sup>th</sup> November, 2000. Those members, who are still holding the shares in physical form, are requested to convert the same into electronic form by sending their request to the Company through their Depository Participant.  
The ISIN No. of our Scrip is INE-688A01014.
5. The members are requested to intimate any **change in their address** with Pin Code, if any, immediately and quote Folio Number in all correspondence. They are also requested to bring their copy of Annual Report while coming to the meeting.
6. Non-Resident Indian shareholders are requested to inform the Company immediately about :  
a) The change in the residential status on return to India for permanent settlement.  
b) The particulars of NRO Bank Account in India, if not furnished earlier.
7. 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.
8. As informed earlier, with effect from 01/04/99, Share Transfer Work and other related jobs are being handled in-house by the Company at its Corporate Office at Gurgaon (Haryana). Therefore, the members are requested to address all their communications regarding share/debenture related matters to Corporate Office of the Company for prompt handling.
9. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education & Protection Fund set up by Government of India and no payments shall be made in respect of any such claims by the Fund.  
Therefore, members who have not yet encashed their dividend warrant(s) for the financial year 1996-97 onwards, are requested to lodge their claims with the Company without any delay.  
During the course of the year 2001-02, the Company has deposited a sum of Rs.1587608 being the unclaimed amount-both principal and interest against the debenture redemptions made during the years 1993-94 & 1994-95 respectively to the Investor Education & Protection Fund. The unclaimed amount of Rs. 65783/- against the debenture redemption made during the year 1995-96 has been deposited with the said fund on 18.06.2002. Similarly, the unclaimed amount against the debenture redemption of 1996-97 will accordingly be deposited with the said fund in due course. Therefore, the concerned members/debenture holders may lodge their claims, if any, with the Company by surrendering the debenture certificate(s) immediately.
10. The members are requested to surrender their old certificates (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-400 005, as requested by the said Company vide their letter dated 25/10/98 and subsequent reminders from our Company as well to obtain their new share certificates of four companies including this Company.
11. As already informed, with a view to bring about operational efficiency and minimizing the related administrative cost in servicing multiple folios of the same shareholders, which are otherwise identical in all respects, the Company has decided to

consolidate such folios with immediate effect. Accordingly, in future, you will receive only one consolidated dividend warrant and one Annual Report in respect of your entire holding. There is no need on your part to send your certificates for this purpose nor it is necessary for you to make any correction of folio nos. on the share certificates.

12. The shares of the Company are at present listed on following Stock Exchanges viz. Hyderabad, NSE, BSE, Bangalore, Cochin, Delhi, Calcutta and Madras. The Company has since paid listing fees to all these Stock Exchanges in respect of the year 2002-03.
13. Pursuant to the requirement of the Listing Agreements with Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure to the Notice.
14. In case of a resident individual, Income Tax will not be deducted at source from dividend, if declared, where such dividend does not exceed Rs.1000/-.
15. Members are requested to inform the Share Department of the Company about their Income Tax Permanent Account Number (PAN)/General Index Register Number (GIR), if any, allotted to them by the Income Tax Authorities, to be stated in the Tax Deduction Certificate.
16. Members are requested to utilize the Electronic Clearing System (ECS) for receiving dividends & may accordingly advise the Company/their Depository Participant in case of their holding in physical/electronic form alongwith relevant particulars.
17. Pursuant to section 109A of the Companies Act, 1956, the share holders who wish to avail the Nomination facilities are requested to send requisite particulars in Form 2B at our Corporate office address.

#### Explanatory Statement u/s 173(2) of the Companies Act, 1956

##### Special Business :

##### Item No. 6

M/s. K.B. Chitracar & Co., Chartered Accountants, Kathmandu, have been the Branch Auditors for auditing the accounts of all the branches of the Company situated in Royal Kingdom of Nepal. They have also intimated about their willingness to carry on the work as Branch Auditors for the year 2002-03.

The Board recommends the appointment of M/s. K.B. Chitracar & Co., Chartered Accountants as Branch Auditors for the year 2002-03.

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

##### Item No. 7

Mr. S.M. Datta was appointed as an Additional Director of the Company by the Board u/s 260 of the Companies Act, 1956 and holds office until the date of this Annual General Meeting but is eligible for re-appointment as a Director. The Company has received a deposit of Rs.500/- and a

notice from a member u/s 257 of the Companies Act, 1956 signifying his intention to propose the name of Mr. S.M. Datta as a candidate for the office of Director.

Mr. S.M. Datta, Ex-Chairman, Hindustan Lever Ltd., is presently the Chairman/Director of various leading & renowned Companies. With his induction, the Board of the Company has been further strengthened and broad based. The Directors feel that his vast knowledge & experience in different spheres of industry in various capacities will be of a great advantage to the Company. The Board therefore recommends his appointment as Director of the Company.

Except Mr. S.M. Datta himself, none of the other directors is deemed to be interested in this resolution.

##### Item No. 8

Mr. Ravi Uppal was appointed as an Additional Director of the Company by the Board u/s 260 of the Companies Act, 1956 and holds office until the date of this Annual General Meeting but is eligible for re-appointment as a Director. The Company has received a deposit of Rs.500/- and a notice from a member u/s 257 of the Companies Act, 1956 signifying his intention to propose the name of Mr. Ravi Uppal as a candidate for the office of Director.

Mr. Ravi Uppal is presently the Managing Director of Asea Brown Boveri Ltd., India, a market leader offering products & solutions for power transmission, distribution & process automation. With his induction, the Board of the Company has been further strengthened and broad based. The Directors feel that his vast knowledge & experience in different spheres of industry in various capacities will be of a great advantage to the Company. The Board therefore recommends his appointment as Director of the Company.

Except Mr. Ravi Uppal himself, none of the other directors is deemed to be interested in this resolution.

#### BY ORDER OF THE BOARD

For Transport Corporation of India Ltd.

Place : Gurgaon

**A.K. Bansal**

Date : 20<sup>th</sup> June 2002

Vice President-Finance & Secretary

#### Annexure to the Notice

Pursuant to clause 49 of the listing agreement with the stock exchanges, following information is furnished about the directors proposed to be appointed/re-appointed.

**Mr K S Mehta** is a renowned Chartered Accountant in practice. He is an expert in corporate financial planning & restructuring, project financing, business valuations and tax matters etc. He is actively associated with leading Chambers of Commerce, including FICCI & PHDCCI and has been past President of PHDCCI.

Mr. Mehta has a wide exposure to industry in his capacity as Director of some of the leading companies in the corporate sector.



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**Other Directorships**

**Committee Memberships**

| Name of Company  | Name of Committee   |
|--|---|
| Vikrant Tyres Ltd., Director<br>Prudential ICICI Asset Management Co. Ltd., Director<br>Radico Khaitan Ltd., Director<br>Kothari Management & Industrial Consultants Ltd., Director<br>Medpat Finance Ltd., Director<br>Dabur Ayurved Ltd., Director<br>Chinatrust Commercial Bank, Director<br>Morepan Hotels Ltd., Director<br>Innotem Services Pvt. Ltd., Director<br>Pannell Kerr Foster Consultants Pvt. Ltd., Director | <b>Transport Corporation of India Ltd.</b><br>1. Shareholders/Investors Grievance Committee – Chairman<br>2. Audit Committee – Member |

**Mr M P Sarawagi:** Being a senior executive, he has been working with the Company for the last over 37 years. He possesses rich experience in the legal and commercial aspects relating to the transport industry.

Mr Sarawagi is a law graduate from Calcutta University and has been instrumental in taking care of wide range of legal complexities inherent in transportation sector. He is also associated with The Calcutta Goods Transport Association & All India Motor Union Congress and other Cultural associations.

**Other Directorships**

**Committee Memberships**

| Name of Company   | Name of Committee   |
|---|---|
| TCI India Ltd., Director<br>Transport Corporation International Ltd., Director<br>Bhoruka Finance Corporation of India Ltd., Director<br>Bhoruka Investment Ltd., Director<br>Orissa Tyres Ltd., Director | <b>Transport Corporation of India Ltd.</b><br>Share Transfer Committee - Member |

**Mr S M Datta** is a well known personality and has been the Chairman of Hindustan Lever Ltd. & all Unilever Group Companies in India/Nepal during the period 1990-96. Presently, he is the Chairman/Director on the Board of various Companies of repute. He possesses vast knowledge & experience by virtue of his long association in different spheres of industry in various capacities.

Mr. Datta has done Graduation with Honours in Chemistry from the Presidency College, Calcutta and obtained the Post-graduate Degree in Science & Technology from the Calcutta University. He is a Chartered Engineer and is also actively associated with a number of Management and Research Institutes both in India & abroad.

**Other Directorships**

**Committee Memberships**

| Name of Company  | Name of Committee   |
|--|---|
| Castrol India Ltd., Chairman<br>Philips India Ltd., Chairman<br>IL & FS Venture Corporation Ltd., Chairman<br>EID Parry (India) Ltd., Director<br>BOC India Ltd., Director<br>TIL Limited, Director<br>Zodiac Clothing Company Ltd., Director<br>Credit Analysis & Research Ltd., Director<br>Peerless General Finance & Investment Co. Ltd., Director<br>Goodlass Nerolac Paints Ltd., Director<br>M. Visvesvaraya Industrial Research & Development Centre, Director | <b>Castrol India Ltd.</b><br>Shareholders'/Investors' Grievance Committee - Chairman<br><b>Philips India Ltd.</b><br>Remuneration Committee-Chairman<br><b>IL &amp; FS Venture Corporation Ltd.</b><br>Remuneration Committee-Chairman<br>Shareholders'/Investors' Grievance Committee - Member<br><b>EID Parry (India) Ltd.</b><br>Audit Committee - Chairman<br>Remuneration Committee - Member<br><b>BOC India Ltd.</b><br>Audit Committee - Chairman<br><b>TIL Limited</b><br>Remuneration Committee-Member<br><b>Credit Analysis &amp; Research Ltd.</b><br>Audit Committee - Member |

**Mr Ravi Uppal** is presently the Managing Director of Asea Brown Boveri Ltd., India. Prior to this appointment, he has been the Managing Director, Volvo India Limited (1996-2001) where he was instrumental in establishing & developing Volvo's operations in India.

Mr. Uppal received his B.Tech(Elec.) Degree from the Indian Institute of Technology, Delhi, and completed his Post-graduation in Business Management from the Indian Institute of Management, Ahmedabad.

Mr. Ravi Uppal is an active figure in Indian Industry and has been Chairman of CII, Karnataka, besides being a member of CII's Southern Region, The Association of Construction Equipment Manufacturers and Member on the National Task Force for Electronics.

**Other Directorships**

**Committee Memberships**

| Name of Company  | Name of Committee  |
|--|--|
| Asea Brown Boveri Ltd.,<br>Managing Director<br>ABB Holdings (South Asia) Ltd.,<br>Managing Director<br>ABB Industrial IT Development Center Ltd., Director<br>ABB Lenzoim Services Ltd., Director<br>Infrastructure Equipments Ltd., Director | <b>Asea Brown Boveri Ltd.</b><br>Share Transfer & Investors'/ Shareholders' Grievance Committee - Member |

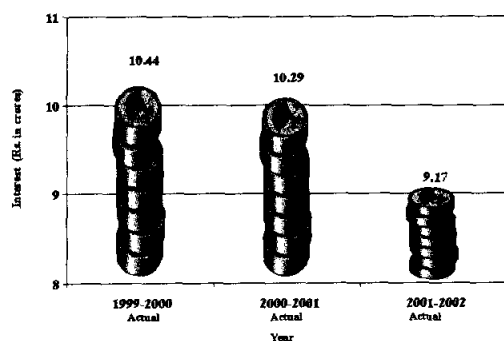
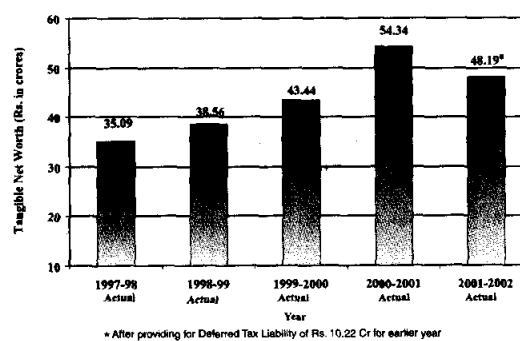
**Key Financials**

(In Rs. Lacs)

| PARTICULARS                                   | FINANCIAL YEARS |         |         |         |         |
|---|-----------------|---------|---------|---------|---------|
|   | 2001-02         | 2000-01 | 1999-00 | 1998-99 | 1997-98 |
| <b>OPERATIONAL</b>                            |                 |         |         |         |         |
| 1. Total Income                               | 52449           | 49729   | 43573   | 37788   | 33658   |
| 2. Profit before interest, depreciation & tax | 2609            | 2710    | 2402    | 2042    | 1967    |
| 3. Interest (net)                             | 917             | 1029    | 1044    | 1005    | 861     |
| 4. Depreciation                               | 928             | 851     | 612     | 510     | 491     |
| 5. Profit Before tax                          | 764             | 830     | 746     | 527     | 615     |
| 6. Tax - Current                              | 166             | 75      | 95      | 60      | 70      |
| - Deffered                                    | 92              | -       | -       | -       | -       |
| 7. Net profit                                 | 506             | 755     | 651     | 467     | 545     |
| 8. Cash profit                                | 1434            | 1606    | 1263    | 977     | 1036    |
| 9. Dividend Per Share (Rs.)                   | 1.80            | 1.80    | 1.80    | 1.50    | 1.50    |
| 10. Earnings Per Share (Rs.)                  | 4.82            | 8.49*   | 8.93    | 6.41    | 7.48    |
| <b>FINANCIAL</b>                              |                 |         |         |         |         |
| 11. Gross Block                               | 13646           | 13333   | 12444   | 11419   | 8941    |
| 12. Net Block                                 | 10825           | 11049   | 10879   | 10237   | 8137    |
| 13. Net worth                                 | 4819            | 5434    | 4344    | 3856    | 3509    |
| 14. Total Debts                               | 6806            | 7613    | 7209    | 7165    | 6443    |
| 15. Avg. Capital Employed                     | 12847           | 12300   | 11287   | 10486   | 9853    |
| 16. Return on net worth                       | 10.50%          | 13.90%  | 14.99%  | 12.11%  | 15.53%  |
| 17. Return on Capital Employed                | 13.08%          | 15.11%  | 15.86%  | 14.61%  | 14.98%  |
| 18. Debt Equity ratio (Times)                 | 1.41            | 1.40    | 1.66    | 1.86    | 1.84    |
| 19. Interest cover (Times)                    | 2.85            | 2.63    | 2.30    | 2.03    | 2.28    |
| 20. Book Value Per Share (Rs.)                | 45.90           | 51.75   | 59.59   | 52.90   | 48.14   |
| 21. Share Capital                             | 1050            | 1050    | 729     | 729     | 729     |

\* On weighted average basis

No. of Shareholder : 19977

**Interest****Tangible Net Worth**

\* After providing for Deferred Tax Liability of Rs. 10.22 Cr for earlier year



## Management Discussion and Analysis

### Economic Perspective

The global economy has been passing through a difficult phase and the Indian economy is no exception especially post 11th September, 2001 incident on WTC. The industrial growth has been on a downward trend for the last couple of years. The Agriculture Sector, however, has shown positive growth, thereby contributing to the GDP. A rising trend in global crude oil prices has also compounded the pressure.

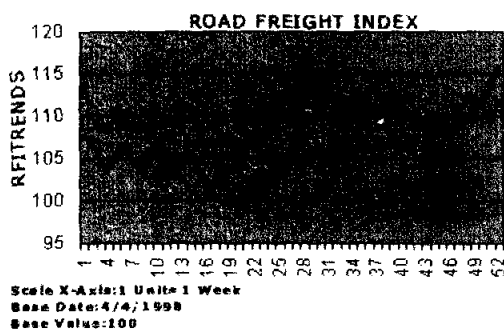
RBI is cautiously optimistic about economic revival. Against the GDP growth at 5.4% in 2001-2002, it expects the GDP to grow at 6-6.5% on the back of exports & agriculture. The growth in the industrial sector in 01-02 at 3.3% is much lower than the 6.2% in the previous year. But the services sector is estimated to have outlived expectations with a growth rate of 6.2% mainly on account of a strong growth in trade & transport, finance & business services.

### Indian Road Freight Transport Sector

The Indian Road freight transport sector is roughly estimated at US\$10 Billion though most of it continues to remain unorganized and fragmented. The poor road infrastructure conditions, state border check post delays, bureaucratic hurdles and other numerous problems make the freight industry unproductive and outmoded.

The road freight sector is poised for major changes in the coming years. With steady progress on the Government of India's plans to construct a National Highway network, the road density and quality are on the rise. The two major sections-the Golden Quadrilateral and the North-South-East-West corridors are expected to be completed by 2003 and 2007 respectively and are expected to bring about sweeping changes to the overall productivity and efficiency of this sector.

The Year 2001-02 has been the worst for the Indian Road Freight Industry. The freight rates in the country were severely affected by the political disturbances in various states, the threat of war and above average production of certain agricultural products. Intense competition from unorganized players, the growing trend of reverse auctions, high operating costs and poor Industrial growth brought prices down. The Road Freight Index (RFI™), an analysis of freight rates on the major 50 highest cargo traffic density routes has shown a marginal increase in freight rates indicating the acute imbalance between demand and supply of trucks.



### Business Strategy

The process of economic reforms has brought the global markets closer to the Indian economy. The customers now have access to better quality products & services at competitive rates. Globalization and competition have given emphasis to better supply chain management, which in turn has created a market for third party logistics (3PL) service providers. A growing number of customers are outsourcing their Logistics to 3PL providers in order to concentrate on their core competencies.

Transport Corporation of India Ltd. (TCI) has been at the forefront of bringing change to the Indian freight industry through continuous innovations and better products for customer solutions and competitiveness. TCI is perhaps the only Company in India that can offer integrated logistics solutions using multi-modal transportation (road, rail, air and sea) including state of the art warehousing facilities, customized customer services and other value added services. The Company's advanced internet based consignment tracking and enterprise wide on-line computerized systems gives it a superior edge over its rivals.

The continued stress to adapt international quality standards has placed TCI amongst the leading players offering integrated logistics solutions in the country. The Company continues to consolidate its leadership position in its core business through value addition to products and services, and progressively gaining international competitiveness in quality and cost standards.

### Financial/Operational Performance

TCI is India's largest road transport Company with a nationwide reach of 1000 Company owned offices and a coverage in 95% of districts. An ISO 9002 certified entity with over four decades of experience of handling both conventional and express cargo, TCI has also established its expertise in offering integrated logistics solutions. The Company owns a fleet of more than 600 trucks including specialized multi-axle vehicles for movement of automobiles, industrial gases, over dimensional cargo, defence ammunition and others. TCI handled more than 6 million tonnes of cargo and 4.1 million consignments last year.

The fiscal year 2001-02 has been a difficult one for the whole industry. Competitive market conditions and tight liquidity scenario have affected TCI too. With emphasis on select and value added segments, TCI has been able to counter the same to a significant extent. TCI has registered a growth in the operating income to Rs.5239 million in FY 2002 by 5.46% over FY 2001. This growth was driven by increase in business volumes especially in the express cargo business. Net margin has, however been lower at 0.97% as compared to 1.52% over the previous year.

### Joint Venture

The Company has been positioning itself as an integrated logistics