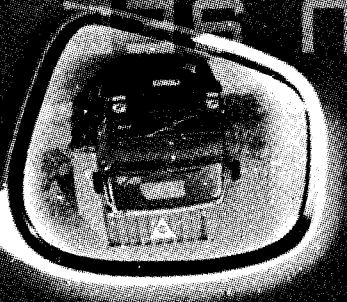


WHAT WE ARE

reportjunction.com

WHAT YOU SEE



TRANSPORT CORPORATION OF INDIA LTD





Board of Directors

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

Report  junction.com

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

Auditors:
R.S. Agarwala & Company
Chartered Accountants

Bankers:
State Bank of India
Citibank N.A.
HDFC Bank
Canara Bank

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 95124) 2381603 to 607
Fax: (0124) (from Delhi 95124) 2381611
E-mail: corporate@tcil.com
Internet: www.tcil.com

Contents

Particulars	Page No.
Notice	1
Key Financials	5
Management Discussion and Analysis	6
Directors' Report	7
Corporate Governance Report	9
Auditors' Report	12
Balance Sheet	14
Profit & Loss Accounts	15
Schedules to the Accounts	16
Notes on Accounts	20
Additional Information	23
Cash Flow Statement	23
Balance Sheet Abstract	24

Notice for Annual General Meeting

Notice is hereby given that the 8th Annual General Meeting of the Company will be held on Friday, the 29th August, 2003 at 11.00 a.m. at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad-500 004 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss A/c for the year ended 31st March 2003 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. S. N Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. O. Swaminatha Reddy, 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(s), the following resolution as an ordinary resolution :

"RESOLVED THAT M/s. K.B. Chitracar & Co., Chartered Accountants, Kathmandu, be and are hereby appointed as Branch Auditors for auditing the accounts of all the branches of the Company situated in Royal Kingdom of Nepal for the year 2003-04 and to hold office till the conclusion of the Next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."

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

"RESOLVED THAT in accordance with Schedule XIII and provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and subject to such consents and approvals as may be necessary, the Company hereby approves the re-appointment of and the remuneration payable to Mr. D.P. Agarwal as Managing Director, designated as Vice Chairman and Managing Director for a period of five years w.e.f. 1st August, 2003 on the terms as are set out in the explanatory statement in accordance with the agreement to be executed with Mr. D.P. Agarwal."

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Mr. D.P. Agarwal shall be paid the same remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time".

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

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

"RESOLVED THAT in accordance with Schedule XIII and provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and subject to such consents and approvals as may be necessary, the Company hereby approves the re-appointment of and the remuneration payable to Mr. Vineet Agarwal as whole time Director designated as Executive Director for a period of five years w.e.f. 1st July, 2003 on the terms as are set out in the explanatory statement in accordance with the agreement to be executed with Mr. Vineet Agarwal."

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Mr. Vineet Agarwal shall be paid the same remuneration as set out in the explanatory statement, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time".

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

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

"RESOLVED THAT pursuant to the provisions of section 314 (1B) of the Companies Act, 1956 and subject to the approval of the Central Government, if any, the consent of the Company be and is hereby accorded to Mr. Chander Agarwal to hold and continue to hold office or place of profit in the Company as General Manager on a remuneration as set out in the explanatory statement annexed hereto."

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

"RESOLVED that the Equity Shares of the Company be de-listed from The Calcutta Stock Exchange Association Ltd., Cochin Stock Exchange Ltd., The Delhi Stock Exchange Association Ltd., The Hyderabad Stock Exchange Ltd. and Madras Stock Exchange Ltd. in accordance with the prevailing laws, rules, regulations and guidelines (including any statutory) and subject to such approvals, permissions and sanctions as may be necessary and compliance with such conditions and modifications as may be necessary for this purpose."

"RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorized to seek voluntary de-listing, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to de-listing of the Equity Shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient as may be deemed fit and for this purpose to delegate the authority and the duty vested in it by virtue hereof to the Managing Director may consider suitable to do the various acts, deeds and things required to be done in this behalf."

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

"RESOLVED THAT consent of the Company be and is hereby given to the Board of Directors of the Company for keeping the Register of Members together with Index of Members and copies of all returns prepared under Section 159 and 160 of the Companies Act, 1956 at the premises of the Share Transfer Agents, M/s Abhipra Capital Ltd., Ground Floor, Abhipra Complex, Dilkush Indl. Area, A-387, G.T. Karnal Road, Azadpur, New Delhi-110033 or at the Corporate office of the Company at Gurgaon, as the case may be."

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

Place : Gurgaon
Date : 12th June, 2003

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 11 as set out above is annexed hereto.
b) A MEMBER ENTITLED TO ATTEND AND VOTE IS AUTHORIZED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Share Transfer Books and the Register of Members will remain closed from 25th to 29th August, 2003 (both days inclusive). Dividend on equity shares for the year ended 31st March, 2003, will be paid on 3rd September, 2003 to those Members whose names appear on the Company's Register of members at the close of working hours of the Company, on 29th August, 2003 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 29/10/99, issued by the Registrar of Companies, Andhra Pradesh, Hyderabad.
4. The equity shares of the Company are under Compulsory Demat w.e.f. 27th 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. The Company has appointed M/s Abhipra Capital Ltd., Ground Floor, Abhipra Complex, Dilkhush Indl. Area, A-387, G.T. Kamal Road, Azadpur, New Delhi-110033 as the common agency to handle electronic connectivity and the shares in physical mode. Therefore, the members are requested to address all their communications to them or at the Corporate Office of the Company for prompt handling.
9. 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.
10. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, 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 year 2002-03, the Company has deposited a sum of Rs.65783 being the unclaimed amount-both principal and interest against the debenture redemption made during the year 1995-96 to the Investor Education & Protection Fund. Similarly, the unclaimed amount against the debenture redemption of 1996-97 will be deposited with the said fund in due course. Therefore, the concerned members/debenture holders may lodge their claims, if any, with the Company immediately.

11. The shares of the Company are at present listed on following Stock Exchanges viz. Hyderabad, NSE, BSE, Calcutta, Cochin, Delhi and Madras. The Company has since paid listing fees to all these Stock Exchanges in respect of the year 2003-04.
12. Pursuant to the requirements of the Listing Agreements of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure to the Notice.

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 2003-04.

The Board recommends the appointment of M/s. K.B. Chitracar & Co., Chartered Accountants as Branch Auditors for the year 2003-04.

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

Item Nos. 7 & 8

Items 7 & 8 relate to the resolution seeking the approval of the members for re-appointing Mr. D P Agarwal and Mr. Vineet Agarwal as the Vice Chairman & Managing Director and Executive Director of the Company, respectively.

Mr. D P Agarwal's association with the Transport Industry has been for over four decades. He has been instrumental in developing and managing the Company from its start up. Today, in the organized sector, TCI is regarded as a premier organization which has substantially been possible due to his continued and untiring efforts. Mr. Agarwal has been responsible for all round growth of the Company in various segments.

Mr. Vineet Agarwal has been with the Company for over 7 years. He has done Graduation in Economics and Industrial Management from USA. Mr. Agarwal has been instrumental in taking computerization to the branch level and ensuring smooth data flow on real time basis by introducing a robust oracle based application system. He has also enabled the Company to make significant inroads in high growth segments viz. third party logistics and express Cargo services etc.

The Shareholders in their AGM held on 14th October, 1998 had approved the appointment & remuneration of Mr. D.P. Agarwal and Mr. Vineet Agarwal as Vice-Chairman & Managing Director and Executive Director of the Company for a period of five years w.e.f. 1st August, 1998. & 1st July, 1998 respectively.

Presently, they are entitled for following remuneration :

Particulars	Mr. D P Agarwal	Mr. Vineet Agarwal
Monthly Salary	Rs. 1,40,000	Rs. 1,50,000
Commission	@ 2% of the net profits	N.A
Other usual benefits/perquisites subject to overall ceilings laid down u/s 198 and 309 of the Companies Act, 1956	Yes	Yes



Keeping in view the immense knowledge and rich experience possessed by the above mentioned managerial persons, the Board strongly feels to continue to avail their services. Accordingly, the Board of Directors at its meeting held on 12th June, 03 has re-appointed them subject to the approval of the members in general meeting, pursuant to the provisions of Sections 198, 269, 309, schedule XIII and other applicable provisions of the Companies Act, 1956. The proposed terms and conditions of their re-appointment are as follows:

Particulars	Mr. D P Agarwal	Mr. Vineet Agarwal
a) Monthly Salary – with liberty to the Board or any committee thereof in its absolute discretion to fix within the range as stated.	In the range of Rs. 2,00,000 to Rs. 4,00,000	In the range of Rs. 1,75,000 to Rs. 3,00,000
b) Commission	@ 2% of the net profits	NA
c) Period of appointment	1 st August, 2003 to 31 st July, 2008	1 st July, 2003 to 30 th June, 2008

Besides above, Mr. D P Agarwal and Mr. Vineet Agarwal shall be eligible for following perquisites etc:

d) Perquisites and allowances:

- Housing: Furnished/unfurnished residential accommodation or house rent allowance at 40% of salary in lieu thereof. Expenses incurred on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
- Medical reimbursement/allowance : Reimbursement of actual expenses for self and family and/or allowances will be paid as per the rules of the Company.
- Leave travel concession/allowance: For self and family once in a year, in accordance with the rules of the Company.
- Club fees: Fees payable subject to a maximum of two clubs.
- Personal accident insurance: As per the rules of the Company.
- Provision of driver /Allowance for driver's salary: As per the rules of the Company.
- Company car and telephone: Expenses in relation to use of Company car and telephone for official purposes.

e) Other benefits:

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

The aggregate of the salary, commission, perquisites & allowances, and other benefits taken together in respect of payment to Mr. D P Agarwal and Mr. Vineet Agarwal, shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

f) Minimum remuneration

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

g) Termination:

The Agreement may be terminated by either party by giving six months' notice, in writing, of such termination. If, at any time, Mr. D P Agarwal and Mr. Vineet Agarwal, cease to be directors of the Company for any cause whatsoever, the agreement shall forthwith be terminated.

h) Duties:

Mr. D P Agarwal and Mr. Vineet Agarwal, shall perform such duties as may from time to time be entrusted to them, subject to the superintendence and control of the Board of Directors.

Besides, Mr. D P Agarwal & Mr. Vineet Agarwal, Mr. S N Agarwal by virtue of his being related to both of them may be considered as interested or concerned in the above resolutions.

This may also be considered as an abstract pursuant to Sec. 302 of the Companies Act, 1956 of the terms and conditions of these appointments. The relevant documents/resolutions pertaining to such appointments are available for inspection up to the date of the Annual General Meeting at the Regd. Office of the Company on any working day between 3 p.m to 5 p.m.

The Board of Directors recommends these resolutions for your approval.

Item No. 9

The Board of Directors in its meeting held on 30th October, 02 had approved appointment of Mr. Chander Agarwal who is related to Mr. D.P Agarwal & Mr. Vineet Agarwal, as a Management Trainee w.e.f. 1st November 2002 at a basic salary of Rs. 8500/- (Rupees Eight Thousand Five Hundred Only) p.m. with the stipulation that the gross monthly remuneration will not in any case exceed Rs. 10,000/-.

Mr. Chander Agarwal has done Bachelor of Science in Business Administration during 1996-2001 from Bryant College, Smithfield, RI with concentration in Management. Regarding work experience. He has done Summer Intern, with TCI in various departments including operations, Logistics and Marketing etc. during the period 1998-2001. With this, he has been able to get fair amount of exposure to the key functions in the Company.

During the period November 2001-02, he undertook internship with M/S Transfreight LLC, USA to get more understanding of Operational aspects in a leading Transport Company Abroad.

The Board of Directors in its meeting held on 12th June, 03 has revised the terms of the appointment of Mr. Chander Agarwal in the following manner subject to the consent of the members by way of special resolution passed in the general meeting:

- Salary @ Rs. 20,000 per month with liberty to the board or any committee thereof in its absolute discretion to fix the total remuneration in the range of Rs. 20,000 to Rs. 50,000.
- In addition to the salary, he will be entitled to the allowances, perquisites and benefits as per rules of the Company the value thereof will not exceed the Annual salary.

Mr. Chander Agarwal is a relative of some of the Directors. Under Section 314(1B) of the Companies Act, 1956 a relative of Director shall not hold office or place of profit carrying a total monthly remuneration in excess of Rs. 10,000/- but below Rs. 50,000 unless prior consent of the members by a special resolution to the holding of such office or place of profit is obtained. Since the remuneration to be paid to Mr. Chander Agarwal exceeds Rs. 10,000/- p.m. the consent of the Company is being sought as per the Special Resolution at Item No. 9.

Except Mr. S N Agarwal, Mr. D P Agarwal & Mr. Vineet Agarwal, being relatives of Mr. Chander Agarwal, no other Director is concerned or interested in this resolution.

The Board of Directors recommends this resolution for your approval.

Item No. 10

Presently, the Equity Shares/securities of the Company are listed on the Stock Exchanges at Calcutta, Cochin, Delhi, Hyderabad, Madras, BSE and NSE. Consequent to the rapid changes in the capital market in relation to the manner of dealing in shares/securities of Companies, the volume of trading in Company's Equity Shares at the Calcutta, Cochin, Delhi, Hyderabad and Madras Stock Exchanges has reduced considerably which does not justify payment of considerable amounts by way of listing fees and other expenses which the Company is incurring. Besides, it also takes its toll on executive time in dealing with such matters while maintaining the relevant records.

The recently issued SEBI (De-listing of Securities) Guidelines, 2003 permits a Company to go for de-listing of its securities from other stock exchange(s) without giving an exit opportunity to the regional shareholders in cases where the same continue to be listed on a stock exchange having national wide trading terminals i.e. either in NSE or BSE. Therefore, in view of reasons / justification as given



herein above, the Company wishes to follow the procedure as mentioned in the new guidelines by de-listing its equity shares from following stock exchanges at Calcutta, Cochin, Delhi, Hyderabad and Madras. In accordance with the above mentioned guidelines, your approval for the proposal is sought by way of a Special Resolution for de-listing the shares of the Company from the said five Stock Exchanges.

The Board of Directors recommends this resolution for your approval.

All material documents, including copy of listing agreements are open for inspection by the Members on all working days between 3 p.m. to 5 p.m. at the Registered Office of the Company till the conclusion of the Meeting.

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

Item No. 11

Pursuant to the provisions of Section 163 of the Companies Act, 1956, the Register and index of members, if maintained at a place other than the Registered Office, requires the approval of the Members by a special resolution. Since the Company has appointed M/s Abhipra Capital Ltd., Secunderabad as Share Transfer Agents, your Directors propose to maintain the Register and Index of Members etc. at M/s Abhipra Capital Ltd. Ground Floor, Abhipra Complex, Dilkhush Indl. Area, A-387, G.T. Karnal Road, Azadpur, New Delhi-110033 or at the Corporate Office of the Company at Gurgaon in case the share related work is handled on in-house bases.

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

The Board of Directors recommends this resolution for your approval.

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

Place : Gurgaon

A.K. Bansal

Date : 12th June 2003

Vice President-Finance & Secretary

ANNEXURE

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING.

Mr. S N Agarwal : is an Engineering Graduate, has also done Graduation in Management from Davenport College of Business Michigan, USA. He has also completed Advanced Management Program (AMP) from Harvard Business School, USA. Mr. Agarwal has over 30 years of rich experience in industry, commerce and business.

A Bangalore based leading industrialist, Mr. S N Agarwal has interest in Power and Gases. He is the Chairman/Vice Chairman/Director in number of prominent Companies. Mr. Agarwal also takes active interest in various Chambers of Association including FICCI and CII etc. He is also on the Governing Board of Indian Institute of Management, Bangalore.

Other Directorships

Committee Memberships

Name of Company	Name of Committee
Bhoruka Gases Ltd., Chairman	Transport Corporation of India Ltd.
Bhoruka Power Corporation Ltd., Vice Chairman	Audit Committee – Member
TCI Industries Ltd., Chairman	Shareholders/Investors Grievance Committee – Member
Bhoruka Aluminium Ltd., Director	
Daurala Organics Ltd., Director	Kirloskar Electric Co. Ltd.
Kirloskar Electric Co. Ltd., Director	Remuneration Committee – Member
Karnataka Power Transmission Corporation Ltd., Director	
Iruppu Power Pvt. Ltd., Director	
Jamuna Power Corporation Pvt. Ltd., Director	
TCI Realty Pvt. Ltd., Director	

Mr. O. Swaminatha Reddy: Being a Chartered Accountant, Mr. Reddy is a renowned financial and management consultant. He has been the past Chairman of Andhra Bank. Besides, he has also held the position of the Chairman / Managing Director of A.P. State Finance Corporation. Presently, he is on the Board of various reputed Companies as Chairman/Director. He is the Chairman – Governing Body of the Indian Institute of Economics, Hyderabad and Member-Management Committee of Federation of A.P. Chamber of Commerce & Industry.

Other Directorships

Committee Memberships

Name of Company	Name of Committee
Sagar Cements Ltd., Chairman	Sagar Cements Ltd.
Swan Vacuum Systems Ltd, Chairman	Audit Committee – Chairman
TCI Finance Ltd., Chairman	Transport Corporation of India Ltd.
Surana Resorts Ltd., Chairman	Audit Committee – Chairman
Sagar Power Ltd., Chairman	Khaitan Tiberwala Electricals Ltd.
VBC Industries Ltd., Director	Audit Committee – Chairman
KCP Ltd., Director	Bhagyanagar Metals Ltd.
Sujana Telecom Ltd., Director	Audit Committee – Chairman
Bhagyanagar Metals Ltd., Director	Surana Telecom Ltd.
Khaitan Tiberwala Electricals Ltd., Director	Audit Committee – Chairman
HBC Flex Tech Ltd., Director	VBC Industries Ltd.
K.M. Power Pvt. Ltd., Director	Audit Committee – Member
	KCP Ltd.
	Audit Committee – Member

Mr. D P Agarwal: is associated with the Transport Industry for the last over four decades. He has been the driving force in developing this crucial industry into the organized sector in which TCI occupies pre-dominant position.

Besides being on the Board of several Companies, Mr. Agarwal is associated with various Chambers of Commerce viz CII, FICCI & PHDCCI etc. He has also been engaged in various social and Philanthropic activities for the common good.

Other Directorships

Committee Memberships

Name of Company	Name of Committee
TCI Seaways Ltd., Director	Transport Corporation of India Ltd.
Jai Bharat Maruti Ltd., Director	Share Transfer Committee
TCI Industries Ltd., Director	Chairman
TCI Infrastructure Finance Ltd., Chairman	
Bhoruka Power Corpn. Ltd., Director	

Mr. Vineet Agarwal: is with the Company since last over 7 year. He has done Graduation in Economics and Industrial Management from USA. An IT savvy person, Mr. Agarwal has successfully introduced computerization to the branch level besides facilitating timely data transfer covering wide branch network.

As a result of his continued efforts, the Company has made its presence felt in the niche growth segments viz. third party logistics and express Cargo services etc.

Other Directorships

Committee Memberships

Name of Company	Name of Committee
Transystem Logistics International Ltd., Chairman	Transport Corporation of India Ltd.
Tanscorp International Ltd., Director	Shareholders/Investors Grievance Committee – Member
Etralog.com Solutions Ltd., Director	Share Transfer Committee - Member
Apntransport.com Ltd., Director	

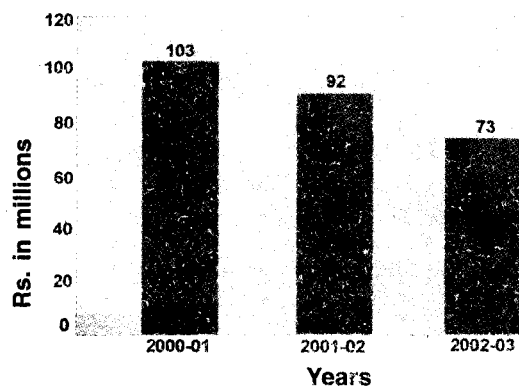
Key Financials

(In Rs. Lacs)

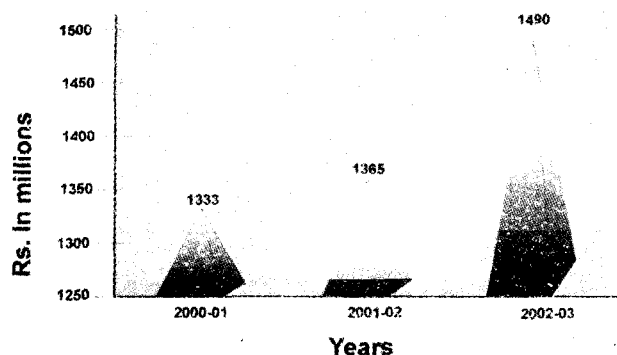
PARTICULARS	2002-03	2001-02	2000-01	1999-00	1998-99
OPERATIONAL					
1. Total Income	53682	52449	49742	43573	37788
2. Profit before interest, depreciation & tax	2582	2609	2710	2402	2042
3. Interest (net)	733	917	1029	1044	1005
4. Depreciation	937	928	851	612	510
5. Profit before tax	912	764	830	746	527
6. Tax - Current	205	166	75	95	60
- Deferred	135	92	-	-	-
7. Net profit	572	506	755	651	467
8. Cash profit	1644	1526	1606	1263	977
9. Dividend Per Share (Rs)	1.80	1.80	1.80	1.80	1.50
10. Earning per Share (Rs.)	5.45	4.82	7.19	8.93	6.41
FINANCIALS					
11. Gross Block	14901	13646	13333	12444	11419
12. Net Block	11722	10825	11049	10879	10237
13. Net worth	5193	4819	5434	4344	3856
14. Total Debts	7654	6806	7613	7209	7165
15. Avg. Capital Employed	12231	12336	12300	11287	10486
16. Return on net worth	11.04%	10.50%	13.89%	14.99%	12.11%
17. Return on Capital Employed	13.45%	13.63%	15.11%	15.86%	14.61%
18. Debt Equity ratio (Times)	1.48	1.41	1.40	1.66	1.86
19. Interest Cover (Times)	3.52	2.85	2.63	2.30	2.03
20. Book Value per share (Rs.)	49.36	45.90	51.75	59.59	52.90
21. Share Capital	1050	1050	1050	729	729

No. of Shareholders : 19422

Interest



Fixed Assets





Management Discussion and Analysis

Business and Economic Perspective

The Indian economy is going through a transitory phase with its slow integration into the global economy. The impact of global fundamentals have started to have some effect on the domestic business and economic sentiments. From the Iraq war and fluctuating oil prices to the recessionary conditions in the America and Europe, Indian economy has gone through similar upheavals. The industrial growth has been on a downward trend in the last couple of years with some indications of a revival this year. The Agriculture sector, however, has been badly affected by the poor monsoon, the effect of which will be felt in the coming fiscal.

The projections for the coming year are more optimistic with GDP growth rates pegged at 6.5%, however, the same is again dependant on the agriculture sector.

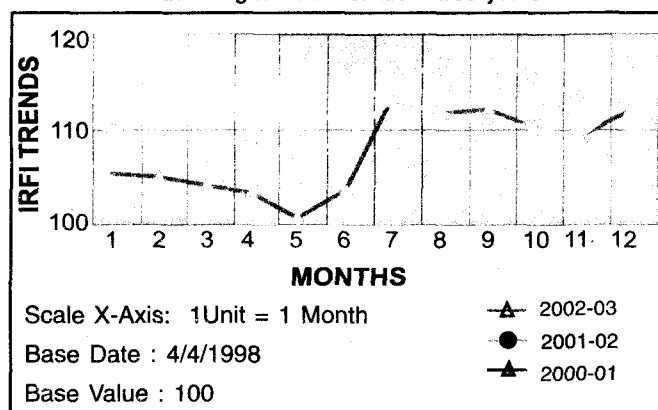
Indian Road Freight Transport sector

The Indian Road freight transport sector is roughly estimated at US\$10 Billion though most of it continues to remain unorganized and fragmented. The national highway network comprises of only 2% of total road network but carries over 40% of total traffic. There is a great need to reduce the bureaucratic structures in the management of roads and related organizations to make the sector more productive and efficient.

The Government of India's plans to construct a National Highway network, the Golden Quadrilateral and the North-South-East-West corridors are expected to be delayed from its estimated completion periods of 2003 and 2007 respectively. However, this along with the implementation of Value added tax (VAT) should bring about far reaching changes to the road transport and Logistics sectors.

The year 2002-03 saw increases in diesel prices (which accounts for 40-50% of operating costs) by approximately 30%. All other input (lubricants, tyres, truck chassis etc) prices also went up over the year. However, this did not lead to a proportionate increase in freight prices. According to the Road Freight Index (RFI), the freight rates have moved up only by 1.77% indicating a substantial discount over estimated real freight rates.

Road Freight Index for last three years



Business Strategy

The business of transportation has been going through a substantial transformation over the years from the gradual shift of freight from railways to roadways, the advent of containerization due to increase in

import and export, the development of the express cargo industry and the emergence of outsourced logistics. Transport Corporation of India Ltd. (TCI) has been at the forefront of all these developments over the years and is continuously changing itself to lead every segment through customer focused competitive solutions.

Agile and competitive companies are starting to focus on their core competencies of manufacturing and marketing and have started outsourcing their entire supply chain to dedicated service providers. From raw material procurement, domestically or internationally, customs clearance and handling, multi-modal transportation (road, rail, air, sea), state of the art warehousing and order processing to final deliveries and even receivables collection, TCI is the only company in India that can offer comprehensive integrated logistics solutions.

The Company's strong value system, customer focus and willingness to adapt to international quality standards affirms its leadership position.

Financial / Operational Performance

TCI is India's largest private sector freight transportation company with a nationwide reach of 1000 company owned offices and a coverage in 95% of districts. With its dominance in the domestic road transport business and rapid growth in the express cargo segment, the company continued to grow in the adverse market conditions last year. TCI registered a growth of 2.32% (5.07% in previous year) with Profit before Tax increasing from Rs.76 million to 91 million thereby registering an increase of 19.24% over the previous year by better management of costs, increased productivity and targeting quality customers.

TCI has also been providing third party logistics solutions to a number of companies in the Automobile, FMCG, retail, textile and engineering segments amongst others. Some of the activities include:

- clearing & forwarding for a large FMCG company from a dedicated 300,000 square feet warehouse
- handling just-in-time pickups and deliveries from 50 suppliers for an engineering company
- 4-hour rapid fulfillment of supplies for a food retail chain

The company owns a fleet of more than 600 trucks including specialized multi-axle vehicles for movement of automobiles, industrial gases, over dimensional cargo, refrigerated cargo and others to provide customized and dedicated services.

Joint Venture

The Company formed a joint venture with Mitsui & Co. of Japan in 1999 as a strategic intent to position itself as an integrated logistics solutions provider. Transystem Logistics International Pvt. Ltd. (TLI) provides automobile logistics solutions to Toyota Kirloskar Motors Ltd. (TKM), Bangalore, through dedicated inbound and outbound freight management systems.

TLI is a unique example, perhaps in Asia, where an entire company's logistics is handled singularly at global quality levels. TCI's investment into TLI helps the parent company to learn about globally accepted standards as well as attain dedicated transportation business. India's only successful logistics venture, TLI is well established to acquire additional business in the future.

Internal Management Controls and their adequacy

TCI's wide network needs substantial internal controls for smooth functioning. Commensurate with its size, wide network and magnitude of operations, the Company has adequate internal controls, which are in place.