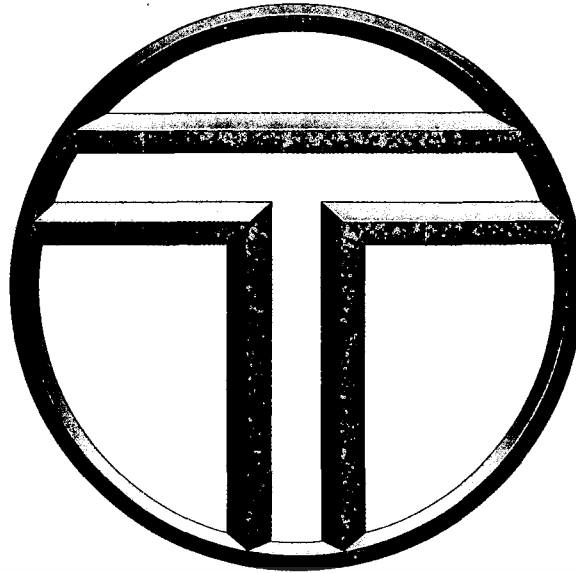


MP	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
ACM	✓	✓	SHI	✓
VE	✓	✓		✓



Telco
ANNUAL REPORT
1996-97





THE TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY-SECOND ANNUAL GENERAL MEETING OF THE TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED will be held on Wednesday, the 30th July, 1997 at 3.30 p.m., at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business :—

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date.
2. To declare a dividend on Ordinary Shares.
3. To appoint a Director in place of Mr S R Vakil, who retires by rotation and who is eligible for reappointment.
4. To appoint a Director in place of Mr N A Soonawala, who retires by rotation and who is eligible for reappointment.
5. To appoint a Director in place of Mr F K Kavarana, who retires by rotation and who is eligible for reappointment.

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :—

“RESOLVED that pursuant to the provisions of Section 257 of the Companies Act, 1956, Mr I C Agarwal who has offered himself for appointment as a Director of the Company be and is hereby appointed a Director 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 the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of the Financial Institutions, Investment Institutions and their subsidiaries, Army Group Insurance Fund, Banks, Mutual Funds and other Bodies Corporate (hereinafter referred to as the ‘Lending Agencies’)/ trustees for the holders of debentures to secure Non-Convertible Debentures not exceeding Rs. 500 Crores which have been/are proposed to be privately placed with the Lending Agencies together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements/Loan Agreements/Debenture Trust Deeds entered into/to be entered into by the Company in respect of the said borrowings.

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the Lending Agencies/Trustees the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to the above Resolution.”

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

“RESOLVED that the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956, in the following manner :

In Article 124, for the number and words ‘16 excluding the Steel Directors, the Debenture Director and the Financial Institutions’ Director or Directors’ substitute the number ‘15’.”

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

“RESOLVED that Messrs A F Ferguson & Company and Messrs S B Billimoria & Company be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to examine and audit the accounts of the Company at Mumbai, Jamshedpur, Pune and Lucknow for the financial year 1997-98 on such remuneration to each firm as may be mutually agreed upon between the Board of Directors and the Auditors, plus out-of-pocket, travelling and living expenses, the audit to be carried out by either of the two firms of auditors at the various locations of the Company at periodical intervals by mutual arrangement, the allocation of remuneration payable for the work done in respect of each location to be made by mutual arrangement between the Auditors and the Company.”

- NOTES:** (a) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under items 6 to 9 set out above are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) The Register of Members and the Transfer Books of the Company will be closed from Tuesday, the 10th June, 1997 to Friday, the 27th June, 1997 both days inclusive for the purpose of payment of dividend to those members whose names stand on the Register of Members as on 27th June, 1997.
- (d) The dividend on shares as recommended by the Directors for the year ended 31st March, 1997 if declared at the Meeting, will be payable on or after the 30th July, 1997 in accordance with the Resolution to be passed by the Shareholders of the Company.

By Order of the Board of Directors

F K KAVARANA

Executive Director

Mumbai, Dated 27th May, 1997.

Registered Office:

Bombay House,
24, Horni Mody Street,
Hutatma Chowk,
Mumbai-400 001.

EXPLANATORY STATEMENTS

The following Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, set out all material facts relating to the business mentioned in the accompanying Notice dated the 27th May, 1997.

2. **Item No. 6:** Mr I C Agarwal, a shareholder, has by his letter dated 5th May, 1997, given notice to the Company under Section 257 of the Companies Act, 1956, proposing himself as a candidate for the office of Director of the Company. The Resolution for Mr Agarwal has been included in the Notice of the Annual General Meeting as required by law.

3. **Item No. 7:** To meet a part of the Company's long term working capital requirements, the Company had in March/April 1997 allotted to Life Insurance Corporation of India, Unit Trust of India, The Army Group Insurance Fund, General Insurance Corporation of India, New India Assurance Company Limited, United India Assurance Company Limited, National Insurance Company Limited and Oriental Insurance Company Limited, (the Lending Agencies) Non-Convertible Debentures on a Private Placement basis aggregating Rs. 200 Crores on the following terms and conditions:
 - Interest : @16% per annum payable half yearly on the 30th day of March and 29th day of September every year till redemption. The first instalment of interest will be payable on the 29th September, 1997.

 - Security : The Non-Convertible Debentures together with interest thereon, further interest, liquidated damages, premium on pre-payment or on redemption, remuneration of the trustees for the holders of the Non-Convertible Debentures, costs, charges, expenses and other moneys payable will be secured by a mortgage of such of the Company's immovable and movable properties as may be necessary by way of a charge ranking *pari passu* with the existing and/or future debentures/secured loans.

 - Redemption : The Non-Convertible Debentures will be redeemed in instalments at par at the end of the 6th, 7th and 8th year from the date of allotment.

4. The Company further proposes to approach the Lending Agencies to subscribe to privately placed Non-Convertible Debentures of an amount not exceeding Rs. 300 Crores to meet its capital expenditure requirements. These Debentures will be issued on terms and conditions as may be decided upon by the Board of Directors.

5. The said borrowing by way of issue of Non-Convertible Debentures is well within the borrowing powers of Rs. 5,000 Crores approved by the Shareholders at the Annual General Meeting of the Company held on 29th July, 1996.
6. As the documents to be executed between the Lending Agencies/Trustees and the Company may contain the power to take over the management of the Company in certain events, it is necessary for the Company to pass a Resolution under Section 293(1)(a) of the Companies Act, 1956, before creation of the mortgage and/or charge in favour of the Lending Agencies/Trustees.
7. A copy of the Subscription Agreement and the Trust Deed executed by the Company with the Debenture Trustees in respect of the Non-Convertible Debentures allotted by the Company aggregating Rs. 200 Crores is open for inspection at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.
8. Mr A P Kurian, a Director of the Company may be deemed to be concerned or interested in the Resolution as he is a Nominee of the Unit Trust of India on the Board of the Company.
9. The Directors commend the Resolution for acceptance.
10. **Item No. 8:** Article 124 of the Articles of Association of the Company which has remained unchanged since the incorporation of the Company in 1945 provides for a maximum of 16 Directors excluding the Steel Directors, the Debenture Director and the Financial Institutions' Directors. Presently, the number of Directors on the Company's Board is 13 including the Steel Director and the Financial Institution's Nominees and is not likely to increase beyond 15 in the foreseeable future. It is therefore proposed to amend Article 124 of the Articles of Association of the Company so as to limit the total number of Directors on the Board to a maximum of 15 Directors.

A copy of the Memorandum and Articles of Association of the Company together with the proposed change is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

11. **Item No. 9:** Section 224A of the Companies Act, 1956, provides that in the case of a company of which not less than 25% of the subscribed capital is held either singly or in any combination by Public Financial Institutions, Government Companies, etc. the appointment or reappointment of an auditor of that company has to be made by a Special Resolution.

12. In the case of the Company, the holding of the aforesaid bodies collectively exceeds 25% of its subscribed capital. Hence, a Special Resolution is required to be passed to reappoint Messrs A F Ferguson & Company and Messrs S B Billimoria & Company as the Company's Auditors on the terms and conditions contained in the Resolution at Item No. 9 of the Notice. The remuneration to be paid to the Auditors will be decided by the Board of Directors in consultation with the Auditors.

By Order of the Board of Directors

F K KAVARANA

Executive Director

Mumbai, Dated 27th May, 1997.

Registered Office:

Bombay House,
24, Homi Mody Street,
Hutatma Chowk,
Mumbai-400 001.





