

TCI

INDUSTRIES LIMITED

(Formerly Transport Corporation of India Ltd.)

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34th
Annual Report
1998-1999

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TCI INDUSTRIES LIMITED
(Formerly Transport Corporation of India Ltd.)

BOARD OF DIRECTORS

CHAIRMAN :

S.N. Agarwal

DIRECTORS :

D.P. Agarwal

M.K. Agarwal

R.K. Aggarwal

Dr. Ashok Agarwal

P. L. Poddar

Vikas Agarwal

Report



AUDITORS

R. S. Agarwala & Co.
Chartered Accountants
Calcutta

REGISTERED OFFICE

1-7-293, Mahatma Gandhi Road,
Secunderabad - 500 003.

TCI INDUSTRIES LIMITED

(Formerly Transport Corporation of India Ltd.)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting of TCI Industries Limited (Formerly Transport Corporation of India Limited) will be held on Wednesday the 29th September, 1999 at 11.00 A.M. at Lions Bhavan, 1st Floor, Lakhpat Buildings, Behind Usha Kiran Complex, S.D. Road, Secunderabad - 500 003 to transact the following business :

A. ORDINARY BUSINESS :

- 1) To consider and adopt the Audited Balance Sheet as at 31st March 1999 and the Audited Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. D.P. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. M.K. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. P.L. Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors and to fix their remuneration.

B. SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. Vikas Agarwal, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT subject to the approvals as may be necessary, pursuant to the provisions of Section 372A of the Companies Act, 1956, authority is hereby given

that the Company do grant a loan of an amount not exceeding Rs. 165.00 Lacs to Bhoruka Textiles Limited on such terms and conditions as it may deem fit".

"FURTHER RESOLVED THAT the Board of Director of the Company be and is hereby authorised to finalise the terms and conditions of such loan, finalise the matter and method of and documents and deeds and to do such acts, deeds and things as it may in its absolute discretion, deem necessary, proper or desirable for the said loan to Bhoruka Textiles Limited".

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

"RESOLVED THAT subject to the approvals as may be necessary pursuant to the provisions of Section 372A of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to give guarantees or provide securities of an amount not exceeding Rs. 228 Lacs in favour of Unit Trust of India on behalf of Gati Corporation Ltd. in such terms and conditions as it may deem fit to secure the 15% Non Convertible Debentures subscribed by Unit Trust of India.

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to finalise the matter and method of and documents and deeds and to do such acts, deeds and things as it may, in its absolute discretion, deem necessary, proper or desirable in connection with the said Corporate Guarantee.

By Order of the Board

Place : Bangalore
Date : 24-08-1999

S.N. AGARWAL
Chairman

NOTES :

1. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item number 6 to 8 of the notice is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER

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3. The Proxy should be deposited at the Registered Office of the Company not less than FORTYEIGHT hours before the commencement of the meeting.
4. The share transfer books and Register of members shall remain closed on 29th September 1999.
5. NO GIFTS SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.
6. Members are requested to send their Share certificates to the Registrar M/s. Shewta Computers Limited, Devaki Chambers, 1-7-74/79, Sarojini Devi Road, Secunderabad - 500 003 for exchange of Share Certificate with those shares allotted/ issued pursuant to the scheme of arrangement as approved by Hon'ble High Court.

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 173(2) OF THE
COMPANIES ACT, 1956)**

Item No.6

Mr. Vikas Agarwal, who has vast industrial experience, was appointed as an Additional Director by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as a Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from a member signifying his intention to propose appointment of Mr. Vikas Agarwal as a Director liable to retire by rotation. The Board recommends his appointment as Director liable to retire by rotation as per the provisions of Articles of Association of the Company.

Mr. Vikas Agarwal himself and Mr. S.N. Agarwal, Mr. M.K. Agarwal, Mr. D.P. Agarwal and Mr. Ashok Agarwal, being relatives of Mr. Vikas Agarwal, are interested in the resolution.

Item No. 7

Bhoruka Textiles Limited (BTL) was a subsidiary of the Company i.e. erstwhile Transport Corporation of India Limited (TCI) before the implementation of the scheme of arrangement as approved by the order of Hon'ble High Court of Andhra Pradesh. Before the said scheme of arrangement, BTL was given a loan by the Company. However, as a part of implementation of the scheme of arrangement, the loan received by the BTL from TCI was transferred to Gati Corporation Limited (GCL).

The Banks who had given working capital loans to BTL had stipulated that the said loan by TCI shall remain with BTL till such time as the Banks may decide and should not be repaid without prior approval of the Banks. As it is neither practicable nor possible for GCL to carry on or subsist such long term loan to BTL, it is considered proper that the Company, being the erstwhile holding Company of BTL, provide such financial resources by way of loan to BTL to enable it to repay the loan of GCL.

Pursuant to the provisions of Section 372A of the Companies Act 1956, as amended, any such loan beyond the limits laid therein requires approval of the members by Special resolution. Hence the resolution in item no.7 is placed before the members for approval as a Special resolution.

None of the Directors, except Mr. Vikas Agarwal and Mr. S.N. Agarwal Managing Director and Director, respectively, of Bhoruka Textiles Limited, is in any way concerned or interested in the resolution.

Item No. 8

Under the scheme of Arrangement as approved by the order of Hon'ble High Court of Andhra Pradesh, the series of 15% Non Convertible Debentures was transferred to Gati Corporation Limited. The Debentures are held by Unit Trust of India who had stipulated that the Company shall issue a Corporate Guarantee in their favour, on behalf of Gati Corporation Limited, in order to secure the said debentures.

Pursuant to the provisions of Section 372A of the Companies Act 1956, as amended, any such loan / guarantee beyond the limits laid therein requires approval of the members by Special resolution. Hence the resolution in item no. 8 is placed before the members for approval as a Special resolution.

None of the Directors, except Mr. M.K. Agarwal being Managing Director of Gati Corporation Limited, is in any way concerned or interested in the resolution.

By Order of the Board

Place : Bangalore
Date : 24-08-1999

S.N. AGARWAL
Chairman