

TCI

INDUSTRIES LIMITED



51st
Annual Report
2015-2016

**51st
Annual General Meeting**

Date : August 2, 2016
at 12.00 Noon

Venue : FTAPCCCI Auditorium, Ground Floor,
The Federation of Telangana and Andhra Pradesh
Chambers of Commerce and Industry,
Federation House, FAPCCI Marg, Red Hills,
Hyderabad – 500 004.

CONTENT	Page
Corporate Information.....	1
Notice.....	2
Directors Report.....	11
Auditors Report.....	32
Balance Sheet.....	36
Profit & Loss Account.....	37
Notes.....	38
Cash Flow Statement.....	47

TCI INDUSTRIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sushil Kumar Jiwrajka (*Chairman*)
S. N. Agarwal
(*Resigned w.e.f. 20.05.2016*)
D. P. Agarwal
Mahendra Agarwal
Ashok Kumar Agarwal
Vikas Agarwal
Ashish Agarwal
Utsav Agarwal
Ravi Shanker Jhunjunwala
Siddharth Mehta
Dr. Vaijayanti Pandit
Sunil K. Warkerkar (*Executive Director*)
Siddhartha Agarwal
(*Additional Director w.e.f. 20.05.2016*)

AUDITORS

M/s. R.S. Agarwala & Co.
Chartered Accountants
28, Black Burn Lane,
3rd Floor, Roop Bhavan Building,
Kolkata – 700 012

SHARE TRANSFER AGENT

M/s. Bigshare Services Pvt. Ltd.
E-2 & 3, Ansa Industrial Estate,
Saki-Vihar Road, Sakinaka,
Andheri (E), Mumbai – 400 072.
Tel.: 022-4043 0200,
Fax: 022 – 2847 5207
E-mail: investor@bigshareonline.com

BANKERS

HDFC Bank
YES Bank

LISTED AT

BSE Limited

BOARD COMMITTEES

- 1. Audit Committee**
Ravi Shanker Jhunjunwala (Chairman)
Sushil Kumar Jiwrajka
Vikas Agarwal
- 2. Stakeholder's Relationship Committee**
Dr. Vaijayanti Pandit (Chairperson)
Ashok Agarwal
Ashish Agarwal
S. K. Warkerkar
- 3. Nomination And Remuneration Committee**
Siddharth Mehta (Chairman)
Ravi Shanker Jhunjunwala
Sushil Kumar Jiwrajka
M. K. Agarwal
- 4. Risk Management Committee**
S. K. Warkerkar (Chairman)
Vikas Agarwal
Ashish Agarwal

REGISTERED OFFICE

1-7-293, Mahatma Gandhi Road,
Secunderabad – 500 003.
Tel.: 040-27845613, Fax: 040-27894284
E-mail: inv.complaint@tciil.in, tci@mtnl.net.in
Website: www.tciil.in
CIN: L74999TG1965PLC001551

CORPORATE OFFICE

Near Colaba Fire Brigade,
N. A. Sawant Marg, Colaba,
Mumbai – 400 005.
Tel. 022-2282 2340/5581
Telefax: 022-2282 5561

TCI INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the FIFTY FIRST Annual General Meeting of the members of the **TCI INDUSTRIES LIMITED** will be held on Tuesday, August 02, 2016 at 12.00 Noon at FTAPCCCI Auditorium, Ground Floor, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, FAPCCI Marg, Red Hills, Hyderabad – 500 004 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2016 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dharmपाल Agarwal (DIN: 00084105), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Kumar Agarwal (DIN: 01237294), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vikas Agarwal (DIN: 00052738), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** M/s. R S Agarwala & Co., Chartered Accountants, (ICAI Registration No. 304045E), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

6. **Reclassification of Authorised Share Capital and consequent alteration of the Capital Clause in the Memorandum of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, including any amendment thereto or re-enactment thereof for

the time being in force, the Authorised Share Capital of the Company be and is hereby reclassified from the existing Rs. 160,000,000/- (Rupees Sixteen Crores only) divided into 15,000,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 100,000 (One Lakh) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each to Rs. 160,000,000/- (Rupees Sixteen Crores only) divided into 8,000,000 (Eighty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 800,000 (Eight Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each.

RESOLVED FURTHER THAT pursuant to section 13 and all other applicable provisions, if any, of the Companies Act, 2013, the existing Capital Clause 5 of the Memorandum of Association of the Company be altered and substituted by the following clause:

Clause – 5

‘The Authorised Share Capital of the Company is Rs. 160,000,000/- (Rupees Sixteen Crores only) divided into 8,000,000 (Eighty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 800,000 (Eight Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each with power to increase or reduce the capital of the Company and to divide, sub-divide or consolidate its shares from time to time in such manner as is permitted under the Companies Act, 2013. Upon any increase in capital, the Company is at liberty to issue any new shares in priority to other shares present and future with any preferential, deferred, qualified or special privileges or conditions attached thereto.’

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard.”

7. **Alteration of the Capital Clause in the Articles of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or any re-enactment thereof), the Article 4 of the Articles of Association of the Company be altered and substituted by the following clause:

Article – 4

'The Authorised Share Capital of the Company is Rs. 160,000,000/- (Rupees Sixteen Crores only) divided into 8,000,000 (Eighty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 800,000 (Eight Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each with power to increase or reduce the capital of the Company and to divide, sub-divide or consolidate its shares from time to time in such manner as is permitted under the Companies Act, 2013.'

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard."

8. Adoption of new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment thereof, for the time being in force, the draft form of the regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. Issue of Redeemable Preference Shares on preferential basis to the Promoter(s) and Promoter Group Companies

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 43, 55 and 62 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment(s) thereof), for the time being in force (the "Companies Act") read with Companies (Share Capital and Debentures) Rules, 2014, the regulations/guidelines, if any, issued/prescribed by the Government of India, the Securities and Exchange Board of India ("SEBI") and the Reserve Bank of India, the Foreign Exchange Management Act, 2000, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, including any amendment, modification, variation or re-enactment thereof, the Master Circular on External Commercial Borrowings and Trade Credits, as applicable, (updated as on date) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, as applicable, subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include a duly authorised committee thereof for the time being exercising the powers conferred by the Board), the consent of the Company be and is hereby accorded to the Board to create, offer, issue, invite to subscribe and allot, in one or more tranches, through private placement and / or on preferential basis, such number of Preference Shares of Face Value of Rs.100/- (Rupees One Hundred only) each, at an issue price of Rs. 400/- (Rupees Four Hundred only) including premium of Rs. 300/- (Rupees Three Hundred), for an aggregate value not exceeding Rs. 250,000,000/- (Rupees Twenty Five Crores only), as Non-Convertible Redeemable Preference Shares ["NCRPS"], to below mentioned Promoter(s)/ Promoter Group Companies, for cash or in lieu of extinguishment of amount due on account of Advances received against proposed property development to the Promoter(s) / Promoter Group Companies & Unsecured Interest free loans received from Promoter Directors, with such rights and privileges and on such terms and conditions as detailed in the explanatory statement annexed to the Notice convening this meeting including but not limited as to the rate of dividend, redemption period, manner of redemption, if any, by the Company in this regard and to modify, alter and re-set all or any of the said terms from time to time, as the Board at its absolute discretion deem fit and appropriate.

TCI INDUSTRIES LIMITED

Sl. No.	Name	No. of NCRPS	% of total no. of NCRPS
1.	ABC India Limited	18400	2.94
2.	Sweta Financial Services Private Limited	39006	6.24
3.	Chander Agarwal	36175	5.79
4.	Dharpal Agarwal	41768	6.68
5.	Vineet Agarwal	35962	5.75
6.	Bhoruka Investment Limited	25000	4.00
7.	Transcorp Enterprises Limited	6250	1.00
8.	Transcorp Estates Private Limited	50000	8.00
9.	Ayan Fintrade Private Limited	7157	1.15
10.	Mahendra Investment Advisors Private Limited	33190	5.31
11.	Mahendra Agarwal	61655	9.86
12.	Bhoruka Aluminium Limited	54175	8.67
13.	Utsav Agarwal	24700	3.95
14.	Kanika Agarwal	37500	6.00
15.	Nidhi Agarwal	37500	6.00
16.	Umah Agarwal	27187	4.35
17.	Bhoruka Capital Limited	10245	1.64
18.	Ved Prakash & Sons HUF	62175	9.95
19.	Vikas Agarwal	2825	0.45
20.	Pushpa Agarwal	14130	2.26
	Total	625000	100.00

RESOLVED FURTHER THAT the said Non-Convertible Redeemable Preference Shares shall not be convertible into equity shares and accordingly the same shall not be listed with any Stock Exchange.

RESOLVED FURTHER THAT in accordance with the provisions of section 43 of the Companies Act, 2013, the Preference Shares shall be non-participating, non-convertible, non-cumulative, redeemable, carry a preferential right vis-a-vis ordinary share of the Company, with respect to payment of dividend and repayment in case of a winding up only.

RESOLVED FURTHER THAT the Board of Directors of the Company is authorized to do all the things necessary to give effect to the above resolution, including addition or deletion to the list of investors or addition or deletion in the number of shares offered.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and action and give such directions as may be in absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the members or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

10. Appointment of Mr. Siddhartha Agarwal (holding DIN: 00225871) as Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 152 and any other applicable provisions of the Companies Act, 2013, Mr. Siddhartha Agarwal, holding DIN 00225871, who was appointed as an Additional Director with effect from May 20, 2016 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and as per the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013, 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.”

NOTES

1. (A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (B) Proxy form is enclosed which should be deposited at the Registered office of the company duly completed and signed not less than 48 hours before the commencement of the meeting.
- (C) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share to the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as

TCI INDUSTRIES LIMITED

- proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 3. The members are requested to intimate any change in their address with PIN Code, immediately and quote Folio Number in all correspondence. They are also requested to bring their copy of Annual Report while coming to the meeting.
 4. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID Numbers for easy identification of attendance at the meeting.
 5. The shares of the Company have been dematerialised (ISIN No. INE 920B01019) and presently traded in electronic form.
 6. The Name of the Company has been changed from Transport Corporation of India Ltd. to TCI Industries Limited w.e.f. 29/01/1999.
 7. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 25th July, 2016 to Tuesday, 2nd August, 2016 (both days inclusive)
 8. The members are requested to note that the Company's Registrar and Share Transfer Agent is **Bigshare Services Private Limited, E/2 & 3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072**. The members are requested to lodge their shares for transfer, transmission, splitting, consolidation etc. directly to them. The members are also requested to register their e-mail Id with their depositories and or with the RTA.
 9. **THOSE MEMBERS WHO HAVE NOT SURRENDERED THEIR OLD CERTIFICATES FOR EXCHANGE TO OBTAIN THEIR NEW SHARE CERTIFICATES OF FOUR COMPANIES INCLUDING THIS COMPANY ARE REQUESTED TO SURRENDER THE SAME AT THE CORPORATE OFFICE ADDRESS OF THE COMPANY AT MUMBAI.**
 10. The shares of the Company are at present listed on BSE Limited. The Company has made payment of the listing fees to Stock Exchange in time.
 11. A Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts relating to the Special Business mentioned in the accompanying Notice is annexed hereto.
 12. Electronic copy of the Notice convening the 51st Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form is being sent to the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Notice convening the 51st Annual General Meeting of the Company, along with the Annual Report, the process of e-voting and the Attendance slip and Proxy form is being sent to the members in the permitted mode.
- 13. Voting through Electronic means**
- I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
 - II) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV) The remote e-voting period commences on 30th July, 2016 (9:00 am) and ends on 1st August, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 26th July, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V) The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)/RTA]:

TCI INDUSTRIES LIMITED

- (i) Open email and open PDF file viz; "TCI Industries e-Voting.pdf" with your Client ID as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of "TCI Industries Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to info@vkbajajassociates.com or tcj@mtnl.net.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Annual Report [for members whose email IDs are not registered with the Company/Depository Participants(s)/RTA or requesting physical copy]:
- (i) EVEN (Remote e-Voting Event Number), USER ID and PASSWORD is provided at the middle of the Remote e-Voting Form as annexed to the Annual Report:
- EVEN** (Remote e-Voting Event Number)
USER ID : **PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 26th July, 2016.
- X) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 26th July, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII) Mr. Vasanth Bajaj, Company Secretary and Proprietor M/s. V.K. Bajaj & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

TCI INDUSTRIES LIMITED

XIV) Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.tciil.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board
For **TCI Industries Limited**

Amit A. Chavan
Asst. Company Secretary & CFO
M. No. A38369

Place : Mumbai
Date : May 20, 2016

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

Item Nos. 6 & 7

The present Authorized Share Capital of the Company is Rs. 160,000,000 (Rupees Sixteen Crores only) divided into 15,000,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 100,000 (One Lakh) Preference Shares of Rs. 100/- (Rupees One Hundred only) each. The Board has proposed to issue Redeemable Preference Shares on preferential basis to the Promoter(s). This proposal has been presented under Item No. 9 of this notice for your approval. Thus, in order to accommodate the said issue and any future capital requirements the Board proposes to reclassify the Authorized Share Capital of the Company from Rs. 160,000,000/- (Rupees Sixteen Crores only) divided into 15,000,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 100,000 (One Lakh) Preference Shares of Rs. 100/- (Rupees One Hundred only) each to Rs. 160,000,000/- (Rupees Sixteen Crores only) divided into 8,000,000 (Eighty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 800,000 (Eight Lakhs) Preference Shares of Rs. 100/- (Rupees One Hundred only) each.

Your Board of Directors is of the view that instead of increasing the Authorised Share Capital of the Company, it is prudent to reclassify the part of the unissued existing Equity Shares into Preference Shares of the Company.

Consequently, it is proposed to make appropriate alterations in the Memorandum and Articles of Association of the Company to reflect the changes in the Authorised Share Capital of the Company.

The Board recommends Resolutions at item Nos. 6 & 7 of the Notice for your approval.

None of the directors or KMP or relatives of Directors and KMP are in any way concerned with or interested financially or otherwise in the resolutions at item nos. 6 & 7 of the accompanying notice.

Item No. 8

The Articles of Association ("AoA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act").

Substantive sections of the Act which deals with the general working of companies stand notified. With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

A copy of the proposed set of new AoA of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day, up to the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the Resolution at Item No. 8 of the Notice for your approval.

None of the directors or KMP or relatives of Directors and KMP are in any way concerned with or interested financially or otherwise in the resolution at item no. 8 of the accompanying notice.

TCI INDUSTRIES LIMITED

Item No. 9

In the past the Company has accepted Rs. 211,297,400/- (Rupees Twenty One Crore Twelve Lakhs Ninety Seven Thousand Four Hundred only) as Advances against proposed property development from Promoter & Promoter Group Companies and Rs. 9,850,000 (Rupees Ninety Eight Lakhs Fifty Thousand only) as Interest free unsecured loans from Promoters-Directors in order to meet the Company's expenses and operations.

Since the Advances against proposed property development have been given since many years and the development of property is held up due to the litigation, the Company thought it prudent to convert the same into Non-convertible Redeemable Preference Shares so that the Company will not have to refund the same in near future for which it does not have any resources at present. The Board considers it necessary to strengthen the capital of the Company. The reason for the passing of this special resolution is to provide the Company with a mechanism to raise cost effective capital to pare debt as part of a general capital management programme which, in the opinion of the Directors, is deemed appropriate for the activities of the Company, without diluting the Ordinary Share Capital of the Company.

The information as desired vide Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 are furnished below:-

1. The said Preference Shares shall be non-cumulative, non-participating and non-convertible.
2. The following are objects of the issue:
 - a. To convert and/or repay the Advances against proposed property development received from Promoter & Promoter Group Companies and Interest free unsecured loans received from Promoter-Directors of the Company.
 - b. To meet working capital requirements of the Company and
 - c. General corporate purpose.
3. The NCRPS will be issued and offered through private placement and / or on preferential basis in accordance with the applicable provisions of the Companies Act, 2013.

4. Other terms:-

Issue Size	Upto 6,25,000 NCRPS for an aggregate value not exceeding Rs. 25 Crores.
Issue Price	NCRPS will be issued at Rs. 400/- (including premium of Rs. 300/-).
Offer Period	To be determined by the Board.
Rate of Dividend	The said preference shares shall not carry any dividend
Terms of Redemption	The said preference shares will be redeemed at a premium of 18 % [simple] p.a. in accordance with the relevant provisions of the Companies Act, 2013, out of profits available for distribution as dividend and /or by issue of fresh shares, in one or more tranches at the option of the Company only.
Tenure of NCRPS	To be redeemed within a period of 20 years.
Expected dilution in equity share capital upon conversion of preference shares	Nil, since the NCRPS are non-convertible.

The approval of the Members is accordingly being sought by way of a Special Resolution under Sections 42, 55 and 62 of the Act read with the Rules made there under, for the issue of Non-Convertible Redeemable Preference Shares ["NCRPS"] of face value of Rs. 100/- at an issue price of Rs. 400/- (Rupees Four Hundred Only) including premium of Rs. 300/- (Rupees Three Hundred Only), for cash or in lieu of the extinguishment of the amount due on account of Advances received against proposed property development & Interest free Unsecured Loans, in one or more tranches to the Promoters/ Promoter Group Companies, through private placement and / or on preferential basis.

As the securities proposed to be issued by this resolution are "Non-Convertible Redeemable Preference Shares", the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), are not applicable.

The Board recommends the Resolution at Item No. 9 of the Notice for approval by the members of the Company.

Except the Promoter Directors and their relatives (to the extent of their directorship / shareholding interest in the Company and / or other promoter entities), no other Director or KMP is concerned or interested, financially or otherwise, in passing of this resolution.